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FINANCIAL TIMES

No. 27,128

Friday November 19 1976

**10p

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NEWS SUMMARY

GENERAL

BAC oil for arms deal
The British Aircraft Corporation has signed a \$400m. deal with the Iranian Government to supply the tracked Rapier missile in exchange for crude oil.

The crude will be marketed outside the U.K. by Shell. The deal, worth over £100m. more than when it was first revealed last December, took eight months of complex negotiations to complete. Page 8

Shadow Cabinet reshuffle planned

Mrs. Margaret Thatcher, the Conservative leader, is to announce a substantial shadow Cabinet reshuffle to-day ahead of the new Parliamentary session which starts on Wednesday. Back Page

Rees not drawn on deportation

Mr. Merlyn Rees, the Home Secretary, told the Commons he would not go into greater detail about the grounds for seeking to deport two Americans, Mr. Philip Agee and Mr. Mark Hosenball. Page 16

Beirut airport back in business

Beirut airport opens to-day after several months of closure because of the civil war. Middle East Airlines is sending in flights from Paris, Geneva and Rome. Pages 3 and 8

Spanish suffrage

The Spanish Cortes last night voted in favour of direct elections by universal suffrage to a new two-tier Parliament. Back Page

UDR man killed

A part-time Ulster Defence Regiment member was shot dead on a Londonderry building site, the 51st UDR man to die in 11 days.

Rhodesia talks

The Rhodesia talks in Geneva are expected to resume to-day with the participation of all delegations on the questions of the structure of the interim government. Back Page

Peace moves

Israel feels the time has come to make a response to President Sadat of Egypt's statement that he was prepared to sign a peace agreement in return for withdrawal from occupied territories and the establishment in them of a Palestinian state. Back Page

No sale

A plane-load of Belgian shoppers arriving at Southend Airport yesterday faced a bewildering choice of destinations. Shopkeepers from both Southend and Romford had sent coaches to collect the arrivals. However most of them decided to travel by train to London.

Water flows

Water restrictions have now been lifted from all areas except South West Yorkshire and parts of Humberside. Page 10

Briefly . . .

Winner of the Miss World contest was Miss Jamaica, 22-year-old Cindy Breakspeare. Miss Australia was second, Miss Guam third and Miss U.K. fourth.
First Miss Nationalist has been elected to the House of Keys in the Manx General Election.
American-born painter photographer Mr. Man Ray died at his Paris home aged 88.
A rescue boat is to be stationed at Loch Lomond for the first time in an attempt to cut the death toll among visitors.
Mr. John Stonehouse's debts are now estimated at £310,000. Page 19
A third police case has been confirmed at Rochdale in Lancashire.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)		
Treasury 13½p 1986 £100 + 1	Alfred & Sons 185 + 8	Allen Harvey & Sons 344 + 25
Bass Charrington 73 + 3	BATE Ind. Defd. 226 + 7	Beecham 240 + 8
Brigade Procurement 13 + 25	British Steam 53 + 5	Cater Rider 120 + 15
Devis (J. H.) 215 + 10	Furness Whisky 185 + 5	Glaxo 370 + 8
GKN 240 + 8	Hammermill 217 + 5	ICI 110 + 5
Imry Property 313 + 8		

BUSINESS

Wall St. rises 12; equities gain 5.9
WALL STREET rose 12.05 to 350.13 after a less-than-expected downturn in Gross National Product in the third quarter and encouraging words from Mr. Jimmy Carter's staff about the Treasury Secretary's role. Page 4

● **EQUITIES** continued to improve. The FT 30-share index gained 5.9 at 317.0. Rises led falls in Industrials by 7-to-2.

● **GILTS** were firm, with gains ranging to 1.

● **STERLING**'s weighted depreciation narrowed to 44.8 (45.1) per cent, but it slipped 10 points to \$1.6590 after early gains. Dollar's weighted average was 2.16 (2.22) per cent. Back Page

● **U.S. MONEY SUPPLY:** M1 \$310.4bn. (310.4bn.) M2 \$730.8bn. (\$728.3bn.)

● **JAPAN SHIPBUILDING** output is to be cut by less than previously indicated in the next two or three years. Page 11

● **FORD MOTOR'S** Halewood plant is expected to resume production to-day. News Analysis, Page 15

● **MASSEY-FERGUSON** has been given the go-ahead by the Employment Department to pay rises of up to £20 a week to nearly 2,000 white-collar workers, despite the pay policy restrictions. Page 15

● **AUSTRALIA** has rushed through legislation to block U.S. anti-trust action against four Australian uranium companies, including the Ranger Partners, E.Z. Industries, Peko Mines and Mary Kathleen Uranium, the CRA subsidiary. Page 5

● **RANK XEROX** has warned that it will have to make major redundancies unless factory staff work harder.

● **CHARTERHALL FINANCE** is increasing its stake in the off-shore Buchanan Field, which may be declared commercial shortly. Page 13

● **BOOKER MCCONNELL** is making a £10m. take-over bid for Kinloch (Provision Merchants) conditional on the Kinloch Board's agreement. Shareholders are being offered 200p a share in cash. Page 26 and Lex

● **STOCK EXCHANGE** chairman Mr. Nicholas Goodison urged the financial institutions to set up a new City regulatory body similar to the Institute of Directors but with a wider supervisory role. Back Page

● **CARTER HAWLEY Hale**, the U.S. store chain, regrets that it bought a 20 per cent stake in House of Fraser in 1974. Back Page

● **BEECHAM** first-half profits rose £19.8m. to £55.4m. Page 26 and Lex

● **ASSOCIATED ENGINEERS** is making a one-for-four rights issue to raise £3.52m. Pre-tax profits in the year to September rose to a record £31m. (£13.73m.). Page 24 and Lex

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Government imposes lending squeeze

BY MICHAEL BLANDEN

A STIFF SQUEEZE on bank lending has been imposed by the Government in a dramatic effort to bring the money supply under control.

The move follows preliminary evidence that the money supply was still growing too fast last month, in spite of measures taken previously to bring it back into line with the target of 15 per cent for the current year.

The mid-October banking figures to be published on Monday are now expected to show a further rise, probably about 1 per cent, in the wider definition of money stock (M3) following the excessive increases recorded in the period up to September.

It was made clear yesterday that the International Monetary Fund team, headed by Mr. Alan Whitmore, now in London to negotiate the U.K.'s \$3.5b. standby credit had been informed of the new measures and given its approval.

The new measures re-introduce the controls over the growth of the banks' interest-bearing deposits which is known as the "curb". This is being applied in a much stricter form than the last time it was used, and leaves little, if any, room for any further rises in bank lending over the next six months.

They follow measures already taken to hold money supply

down, including the jump in minimum lending rate.

At the same time, the Government announced changes in the exchange control rules which effectively remove a remaining vestige of the U.K.'s position as the centre of the sterling area by stopping the use of sterling balances on the banks by releasing funds at present tied up abroad for appropriate domestic uses.

It was emphasised yesterday that the moves should not be regarded as part of the economic package which the Government is expected to introduce soon to meet the IMF's terms for granting the credits.

It is clear that after the latest figures, the Government will find it difficult to meet the monetary targets for this year. Greater restraint is expected to be imposed next year.

The October money supply figures have come as a shock in a period when it had been hoped that the large sales of gilt-edged stocks would stabilise the monetary aggregates.

The main cause appears to have arisen not in the public but in the private sector, with another rise in bank lending indicated by the figures published for the clearing banks last week. The continued expansion in bank lending is felt to be out of line with the present state of the economic recovery.

The loans have not been going out to finance a significant growth of new investment. Lending has been a tight squeeze on sectors such as personal borrowers which are low on the list of priorities.

Under the revived controls, the banks are subjected to heavy penalties if their interest-bearing eligible liabilities (their main deposit funds) grow by more than a certain amount. The limit is based on the average of the three months to October, and the growth rate is 3 per cent for the first six months and 1 per cent for a month for an additional two months.

This limit is much tighter than the 14 per cent a month growth applied when the controls were previously in force in 1974. It means that the banks will be unable to rely on increasing their funds significantly by borrowing in the money markets, and any rise in lending will have to come from the natural growth of current accounts.

There should, it was suggested, be some help from the clearing banks last week. The continued expansion in bank lending is felt to be out of line with the present state of the economic recovery.

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Russia offers Poland economic aid package to meet crisis

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE SOVIET UNION has come at the official rate of exchange, to the rescue of its largest ally, Poland, with an economic aid package that includes a substantial loan and deliveries of food, raw materials, capital equipment, and consumer goods.

The package, one of the largest of its kind ever put together by the Russians, reflects Moscow's deep anxiety about the troubles which have gripped Poland since last June's food price riots.

The package should relieve Mr. Edward Giersek, the Polish leader, of the need to impose further tough economic measures of the kind which provoked the recent riots when Mr. Giersek announced, and then withdrew, big price increases.

On top of the credit, the Russians have promised to make available extra supplies of raw materials and manufactured goods over and above the levels laid down by the five-year trade agreement negotiated last year.

The whole package, in fact, is described as being outside the two countries' Five Year Plans, which have only just come into operation.

The Poles deny that there are any strings attached to the loan. Instead, the package is presented as a move to help Poland regain economic and political stability, which is as much in the Russian interest as it is in Poland's.

But the Russians are also wary of openly interfering in Poland at a time when the atmosphere is still tense.

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No yielding to Lords on ships

BY RICHARD EVANS, LOBBY EDITOR

THE CABINET decided yesterday not to give way to the Lords in the constitutional confrontation developing over the Aircraft and Shipbuilding Industries Bill, and Ministers are now prepared to insist on the passage of the Bill through both Houses.

The decision, taken with the backing of Mr. Callaghan and Mr. Eric Varley, the Industry Secretary, but against the advice of some Ministers, means that the Cabinet is taking a big gamble in its battle with the peers.

If the Lords decide to insist on their amendments excluding 12 ship-repair companies from the Bill, as seems certain, the legislation will "ping-pong" between both Houses until the end of the session next Monday or Tuesday. It will then be lost.

In this case, it will be reintroduced in the next session, probably early in December.

The gamble Ministers are taking is that although the Parliament Act of 1911 can be invoked at the end of the session to curb the Lords' delaying powers, there is no effective way the Government can prevent another lengthy and acrimonious passage of the Bill through both Houses.

The Lords would through their inbuilt Tory majority be able to keep the Bill in play for the entire session if they so wished. In addition the Government's ability to win key votes in the Commons must be in question because of the slender overall majority, and the prospect of more by-election losses in the coming year.

The Government's amendment to put the 12 ship-repair companies back into the Bill was approved after a three-hour gutted debate by 280 votes to 278, a Government majority of two.

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NEDO wants two-tier State Boards

BY ADRIAN HAMILTON

THE TRADITIONAL arm's length relationship between the National Coal Board, also welcomed the report last night, while indicating his satisfaction at the progress in developing his current tripartite "Plan for Coal" and stressing the continued need for direct access to Ministers.

Among the Government the most sympathetic appeared to be the Department of Energy. Union response is one of some interest in the potential for the unions in the proposals.

The report comes out at a time when the structures of the Corporations will come under review as a result of the employee participation investigation of the British Coal Corporation, although this is not considered in the document.

A separate internal Whitehall study is being conducted by a committee under Mr. Alan Lord, of the Treasury. This has met only twice, and seems unlikely to make proposals of its own.

Plans to try new forms with the Post Office also seem to have stuck for the present.

Nevertheless, the participation issue, while delaying responses to the study, could also help accelerate implementation of at least some of its findings on financial controls, consumer participation and capital restructuring.

The report, commissioned by Sir Harold Wilson, when Prime Minister, was carried out under the chairmanship of Sir Ronald Davies, a Director-General of the leading newsmagazine, the New Yorker.

It includes a damning indictment of the lack of trust that has developed between corporations and Government, of a fusion of aims and rising tensions of current procedures for monitoring corporation plans and performance; and damaging effects of short-term Government intervention on prices, pay and investment in the past.

Sir Ronald defends the recommendations on the grounds of the necessity of radical change. He sees the councils, Ministers and civil servants not as additional layers between the Government and nationalised industries, but as more permanent means of co-ordinating strategic decisions.

In addition to the report and some support most notably from Mr. Nigel Poulkes, chairman of NEDO, plans to publish a series of background papers on its findings, which endorsed the role of the nationalised industries in the economy.

Personalities

The object of the change would be to formalise Government and union relations in a way that would give greater stability to planning and freedom from interference for executives.

It would, however, involve a considerable change in present corporation structures, replacing both legislation and an inevitable problem of personalities.

Public reactions yesterday were relatively muted. Few in Government or the public seemed to be prepared to comment on the report.

Strong opposition to the proposal seems to come from some of the leading newsmagazines, the New Yorker.

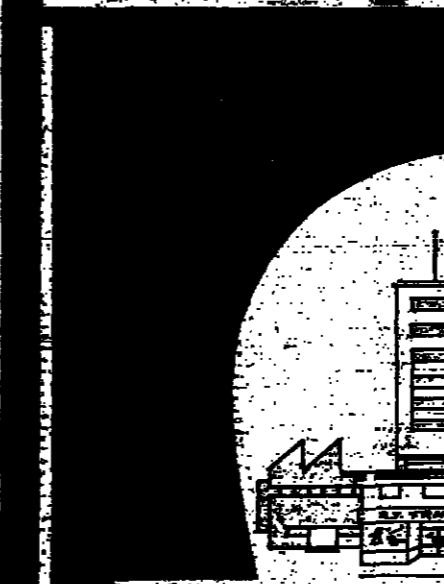
as Mr. Denis Roddy, of the Gas Corporation, or Mr. Frank Macdonald, of the British Rail.

Their main objections would be that the new proposals might make work more instead of less difficult by adding a further layer of Government intervention in the past.

Far from being resigned, they say, the traditional arm's length relationship needs to be strengthened and renewed.

Ministers and civil servants are thought to be cool about the proposals, partly for fear of upsetting relations with the new chairman.

But the report has received some support most notably from Mr. Nigel Poulkes, chairman of NEDO, plans to publish a series of background papers on its findings, which endorsed the role of the nationalised industries in the economy.



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examined not later than 4 o'clock in
afternoon of the 19th day of Decem
9th.

Journal of Management Education 30(6)p. 789-804

الأص

Brunnhilde is alive and well

by NIGEL ANDREWS

Confessions of Winifred Wagner The Other Cinema for Fake Electric and Essential Cinemas
also (X) Warner West End
ath Weekend (X) Plaza 1
e Texas Chalo Saw Massacre
X) Scenes 1 and 2

Do not be alarmed by the film's title, which suggests a hot-tempered Sunday newspaper review. *Confessions of Winifred Wagner* is a superbly least sensational of the film's; which also includes a series of great art-works by Orson Welles and his new horror films of uprisings, and in one case unprovoked blood-thirstiness. Hans-Jürgen Syberberg's documentary is the least spectacular film to be seen in London. When I first saw it at the Berlin film festival, it ran for five hours; five hours of one y. patrician head talking to camera (in black-and-white) as an off-screen interviewer led it with polite and delicate questions. The secret of the appeal—and the factor that makes it on a deeper level the sensational film of the year—is the identity of that owner. Winifred Wagner, an English-born daughter-in-law of composer Richard and the sister of the Bayreuth festival. More to the point, lived through the war years in Germany, and the preceding decade of Nazism's rise to power as Hitler's closest friends and confidantes.



Frau Winifred Wagner

to-day, I should be just as pleased and happy to see him as I ever was.

Frau Wagner's presence is extraordinary. Give the lady a helmet and a hazen pigtail and no self-respecting opera house, audience, or beyond the frequent could turn her down. But the charm and the majesty are deadly; and so are the protestations of political innocence. Syberberg's camera, scarcely moving from its jigsaw of close-ups, forces us to look beyond the world beyond the film's critics have harped on its immobility. All camera does is sit there and watch. But the words are so entangled, and the flickers of emotion that cross that great face so mesmerizing, one would have had to turn away in disgust if it were not for the war as a National list, and pilloried in the for her unswerving loyalty and during the war to "I called him Wolf and she me Wolf" she makes as she recalls his visits to her home in Utah, and describes his tiny, avuncular way with children. During the war he managed to intercede with friends and Bayreuth threatened with deportation to the concentration camps; other contentious issues allowed to cloud their ship. Of Hitler's more activities she says, with indignance, "he was by radical people and end of the film with a glance to the other end room, she says: "If Hitler walk through that door

Bribes.

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Williamson's choice

by RONALD CRICHTON

The London Mozart Players are varying their standard fare with five "Composer's choice" programmes, in which distinguished musicians set favourite work of their own against music by other composers which they consider relevant. On Wednesday the guest was Malcolm Williamson. His choice cleverly watched diplomacy with fitness. One new and one familiar work by him self (both involving string orchestra), on work each by Mozart (to represent the orchestra's tutelary deities). Bliss (Williamson's predecessor, as Master of the Queen's Music), and two other revered seniors, Shostakovich and Britten.

Unfortunately, the chief sufferer was the new work by

the trickster have more in common than we, or they, might ever have realised before.

With Welles's tongue tucked firmly into his bulldog cheeks, and his own participation taking the shape of a puckish commentator strolling on a railway platform, the film threatens at times to become one of those inflated *jeux d'esprit* that a prick of caustic common sense will burst to nothing. On a second viewing, I still cannot make anything of the long, leg-pulling shaggy dog story about Picasso with which Welles concludes the film. But the wit of Welles's commentary, and the legend of the film's cutting—now you see de Hory, now you see Irving, but are they both together in the same room, or has the editor used his scissors to rearrange his story about Picasso with which Welles concludes the film.

Book review

Wild one

By FRANCIS KING

Consia, Clare by Anita Leslie. Hutebinson, £5.95, 272 pages

Bernard Baruch, asked by Winston Churchill to keep an eye on "this wild cousin of mine," described Clare Sheridan many years later as "Wonderful looking, and exciting to have around, but so damn fatiguing." To her daughter she was "as a mother impossible, as a person enchanting." Her brother gloomily queried whether she was "a fit person to have charge of herself, let alone of young children." What no one seems to have said but what emerges strongly from this biography is that she was an essentially silly woman.

Later, travelling in a sleeper in the States, she was to compare

Lyttelton

Tartuffe

by B. A. YOUNG

Molière's rhymed couplets, that couple as Mariane and Valère. Innocents on the walls, and a great brass horse spanning a mirror, a sheet hung over part of it. Treasures are left in all the rooms, used to make ad hoc furniture, such as the vast table Orson crouches under, so invisible as almost to be out of mind. The final scene seems to be taking place in an old castle, lit only by candles and boasting what looks like the machinery of a drawbridge showing through the window. An angel with a Bery sword and a figure of Christ overlook the action from the flies.

The point of all this escapes me. The company supposed to be playing in the sets of another production? If so, does this sharpen our appreciation of Molière's satire? Not mine, at any rate; on the contrary, it distracted my attention from what seemed otherwise an interesting production of a play as relevant to this decade as it was to the 1660s.

The unexpected slowness of Roger Planchon's production is not due to any mousing of the verse. It is due to the great amount of comic business that he has put into it—pleasant business, for the most part, organised with a touch of formality, a consciously rhythmic progress, that suits the play well. But it takes up a lot of time. The scene between Mariane and Valère, virtually organised by the servant Dorine, as she gives her advice to each, is almost a *pas de trois* in its attractively symmetrical movement. I began to wonder what time it would be before we ever saw M. Planchon as Tartuffe. The pace remains slower than we are accustomed to throughout the evening. I felt little tension as Tartuffe made his approaches to Elmire with Orson under the table; he took such a time about it that she seemed the guilty party of the two before he actually got round to anything. As for the last act, with the ballet and the officer and a remarkably rough incursion of troops, the exciting changes of fortune that ought to make it so good hardly raised by blood-pressure at all. Though I complain about the speed of the production, I was delighted by the acting. Lucienne Le Marchand sets the pace as she whacks about with Mme. Fernelle's cane in the first scene, and Ariette Gilbert sets off on the endless parade of laughter as he is Gérard Guillaumat and Patrick Messe are perhaps too much alike physically to make ideal casting as Cléante and Damis; I think of Damis as about Valère's age, but MM. Guillaumat and Messe both play bravely.

Coste, comploterini and Luc Ponette are an attractive young



Lynn Seymour and Vergie Derman in "Voluntaries"

Coliseum

La Belle Hélène

John Copley's Offenbach production returns to the Coliseum, for a run planned to extend through the Christmas holiday period. Measured against an ideal standard of stylisation that may well not have obtained at Offenbach's own Théâtre des Variétés, it is a rather deplorable evening—shambaling, low-farctical, full of easy sight gags and loose, friendly anachronisms as a substitute for hedonism and elegance. Yet, with a cast of highly agreeable comedians, punching out the dialogue and swimming into the action with rare good will, it is also somehow, an enjoyable entertainment.

Anne Howells is back in the title role, a knockout from first moment. She sends her lines out into the audience as though she had been playing burlesque for years—the best burlesque, that is, where broadness can be tamed by a sudden access of high style, where the performer contrives to suggest beauty, glamour, absurdity, wit and disarming self-mockery, all in the same instant. As Miss Howells is the natural mistress of all those attributes, the extras she brings to the role become especially admirable, as well as delightful—the care for the music (the phrasing of "Dis-moi, Venus" was uncommonly seductive), the bloom on the tone, the piquant undertow of melancholy.

Ramon Remedios has the physique for Paris, and the voice as well, though in the early stages it failed to flow with sufficient confident smoothness; later on, as the High Priestess of Venus, he sang as zestfully as he danced. Excellent, gamy contributions, within the wink-and-nudge routines prescribed by Mr. Copley, from Geoffrey Chard (Agamemnon), Eric Shilling (Calchas) and Sheelagh Squires (Cleone); the playing of the Kings of Salamis and Locris as a pair of queens is toned down, to welcome effect, by Ashton Smith and Niall Murray.

MAX LOPPERT

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Several young Hungarian musicians have made an impression on our musical life during the past year. The most promising, perhaps, is the pianist András Schiff, the most musical, of the last Leeds Competition finalists; the soprano Adrienne Csengery, a winner of the Rupert Conducting Competition, it was pleasant to welcome the Hungarian State Symphony Orchestra to the Royal Philharmonic Society's concerts, and to find that they display some of the same qualities of careful, unobtrusive shaping, and broad expansive phrasing as do the younger soloists.

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AMERICAN NEWS

GNP slowdown adds to doubts on U.S. recovery

BY DAVID BELL

WASHINGTON, Nov. 18.

THE U.S. Gross National Product (GNP) grew slower in the third quarter of this year than originally reported, according to revised figures issued today which may once again raise doubts about the strength of the current American economic recovery.

The Commerce Department said real GNP in the third quarter increased at an annual rate of 3.8 per cent, to \$1,771bn, compared with the preliminary figure of 4 per cent, released just before the election. At that

time, the Ford Administration said 4 per cent, was the minimum figure needed "to maintain employment at current levels." To-day's revised figures follow industrial production figures issued by the Federal Reserve earlier this week which were also revised downwards.

Government analysts cited two main reasons for the downward revision of the GNP figures. The first was a larger-than-expected increase in the U.S. trade deficit, and the second was the fact that \$400m. worth of consumer spend-

ing predicted earlier failed to materialise. This further underlines the largely flat trend in consumer demand which first became evident in May and has, for the most part, continued since then.

Meanwhile, two University of Michigan economists reported this morning that their university's influential annual forecast suggests that even if Mr. Carter approved a tax cut next year and takes other moderate measures to stimulate the economy it is likely to grow in 1979 by only about 4.3 per cent, compared with the 6.2 per cent, which they say is likely to be the final figure for the whole of 1977. They say that by the end of next year they expect unemployment to be down to about 6.5 per cent, with inflation still running around 5.5 per cent.

The one bright spot in the GNP figures may be the fact that the Commerce Department has revised upwards by some \$500m. its estimate of fixed investment in the third quarter. Analysts were cautious about this to-day but they noted that it might indicate that there is going to be a further increase in capital investment in the fourth quarter, an increase which has been long awaited. In other figures, the department noted that corporate profits increased faster in the third quarter, rising by some \$5.8bn. to an annual rate of \$123bn. seasonally adjusted.

Kissinger happy to continue to advise on the Middle East

BY DAVID BELL

WASHINGTON, Nov. 18.

DR. HENRY Kissinger, his eight years at the centre of U.S. foreign policy making now almost over, is letting it be known that he will be happy to advise the new Carter Administration about the Middle East after it takes office, and his aides are indicating that the prospects for a real advance in the area may now be better than for a long time.

The Secretary of State does not want to be employed as a mediator—and it is unlikely that Mr. Carter would want to use him in that way—but he is more than ready to offer advice now and in the future, and will doubtless waste no time in making this clear to the president-elect when he meets him in Plains, Georgia, on Saturday.

Israeli officials in Washington remain very suspicious of this new-found optimism, expressed most recently in a speech by Dr. Kissinger to the current Nato meeting in Williamsburg, Virginia.

In the two months left before the Carter Administration takes over, Dr. Kissinger is expected to continue his efforts to isolate Iraq and Libya, a process which he regards as a logical extension of the strategy he first used in his shuttle diplomacy in 1972.

The Carter Administration has yet even to grapple with the question of whether the Palestinians are sufficiently respectable to take part in any new Geneva conference. It will almost certainly be some months before its position on this is fully clear. Dr. Kissinger said yesterday that the U.S. should be "pragmatic."

While the Israelis are clearly aware that the new U.S. administration is likely to want to "unfreeze" the situation in the Middle East as quickly as possible, they suspect that Dr. Kissinger may be trying to stack some of the cards in advance and push the new administration into a "pro-Arab" position even before it takes office.

Carter becomes Washington 'insider'

By Our Own Correspondent

WASHINGTON, Nov. 18.

PRESIDENT-ELECT Jimmy Carter's meeting yesterday with senior leaders from the U.S. House and Senate ended with both sides agreeing that the next four years of relations between executive and legislature would be a "deal more harmonious than the past."

Mr. Carter said that the Congressional leaders had given approval to his plan to reorganise the Federal Government subject to a vote of Congress of any specific measure to which it might object. Mr. Carter said that the House had demonstrated "that there would be a remarkable compatibility" between himself and Congress.

He added that, after running for so long as an "outsider," he was now beginning to feel very much like a "Washington insider." Figures released to-day show that Mr. Carter spent some \$35m. in his quest for the nomination and that much of the \$13m. of this that was spent in the primaries came from Georgia. During his successful primary campaign the figures show that he spent the most on California, the nation's largest state, which he failed to win and that Ohio was the state on which he concentrated most in terms of spending per head of population.

Political struggle intensifies in Argentina

BY HUGH O'SHAUGHNESSY

THE STRUGGLE between the supporters of a classical liberal economic system and the Economic Minister in his position with the international banking world and his first in providing big credits for Argentina at a time when the country is facing very severe balance-of-payments difficulties.

Observers in Buenos Aires feel that the position of Martinez de Hoz is in no danger at the moment. It could, however, be called into question. Argentina's hopes for getting record income for its grain harvest this year, spoiled by continuing low levels in the world grain market.

Supporters of Sr. Martinez de Hoz are counter-attacking, claiming that if the "nationalist" line won the day and the planning came back into vogue this could be the beginning of a return to Socialism. The publication of the office figures for the rise in the cost of living in October—7.4 per cent—taken with the broad price, which came in effect at the week-end, is held to increase labour pressure for a modification of Sr. Martinez de Hoz's adamant refusal to allow wages to increase. The real value of wages is estimated to have fallen 40 per cent in the course of the question of Argentina's of 1976.

Burns opposes tax cut

BY STEWART FLEMING

NEW YORK, Nov. 18.

IN A STATEMENT which is likely to revive speculation that the U.S. Federal Reserve Board and the incoming Carter administration may have difficulty in reconciling their views on the economy, Dr. Arthur Burns declared to-day that he saw "no advantage in a tax cut at the present time."

Over the past week Dr. Burns' statements on economic policy, and particularly his opposition to a fiscal stimulus at present, have appeared to be at odds with Mr. Carter's views.

Since his initial statement before the Senate Banking Committee last week, Dr. Burns has on occasion appeared to be

attempting to dampen speculation that he might be at odds with Mr. Carter and there has been confusion about where in fact he does stand.

In his speech to-day at the annual convention of the U.S. League of Savings Associations, however, Dr. Burns issued a firm statement of what has been established policy within the Fed.

Laying great stress on the dangers of inflation and its adverse impact on business confidence and capital spending plans, he said that the principal contribution which the Fed can make to the achievement of national economic objectives was to "adhere to a course of moderation in monetary policy."

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THE GARY GILMORE CASE

Dilemma on Death Row

BY NANCY DUNNE IN WASHINGTON

IN THE NINE years since the last execution in the U.S.—of a self-confessed murderer in Colorado—opponents of capital punishment have fought grimly year in the 1950s.

Now, regardless of the fate of murderer Gary Gilmore, whose plan to be executed will now be considered on December 6 by the Utah Board of Pardons, after a meeting called for Wednesday had to be postponed because of his suicide attempt, it looks as if the abolitionists' campaign is about to fail.

It is four months since the Supreme Court ruled that the death penalty is not inherently cruel and unusual punishment prohibited by the Constitution. Its opponents had argued that it was, and in 1972 had convinced the court that the death penalty, as it was then rather haphazardly applied, was unconstitutional.

The intense interest in the Gilmore case stems from the prisoner's desire for immediate execution, his refusal to wait for appeal deadlines, and his opposition to the groups, who—against his wishes—have been scurrying for legal delays. Mr. Gilmore fired his original lawyers for opposing the penalty, and in a unique appearance before the State Supreme Court pleaded for the right to die.

"Don't let the people of Utah have the courage of their convictions," he asked. You sentence a man to die—and when he accepts this most extreme punishment with grace and dignity, you, the people of Utah, want to back down and argue with me about it." The court granted his plea, but the next day, Utah Governor Calvin Rampton ordered a stay in execution, asking the State Board of Pardons to review the sentence.

Mr. Gilmore seemed to accept the delay reluctantly, and asked that he be allowed to marry his girl friend, Mrs. Nicole Barrett, before he died. He then, apparently in a suicide pact with Mrs. Barrett, took a drug overdose.

Capital punishment opponents are battling for Mr. Gilmore's life for a number of reasons. The Utah death penalty law has not been legally challenged since the Supreme Court's 1976 ruling, and the State statute lacks a provision for the mandatory review which some lawyers consider a constitutional necessity. Eight other inmates are on the State's Death Row, and their appeals may be weakened if Mr. Gilmore is executed under the current State laws.

Away from the grotesque carnival-like atmosphere which has come to surround the Gilmore case are an estimated 400 convicts on Death Row in about 35 States, who live in psychologically devastating conditions of little hope. Most are locked up at least 23 hours a day with little to do but file appeal after appeal, requesting new trials, stays of execution and clemency.

After 1972, with crime rates rising steadily, State governments speedily re-wrote their statutes in an effort to win Supreme Court approval. The number of death sentences under the new statutes increased to about 124 a year as juries seemed less reluctant to pass out the ultimate penalty—perhaps believing the issue would ultimately be resolved in the higher courts. The American people have perhaps yet to realise the extent of

the executions which might be allowed to go ahead—far more than the one or two a year in the 1960s or even the dozen in the 1950s. In July, the Supreme Court ruled the death penalty constitutional for murder if juries are given a chance to consider defendants' individual records. Usually this is done in a separate proceeding after guilt is determined, with both mitigating and aggravating circumstances taken into consideration. Those State laws approved by the court

Gary Gilmore... pleads for the right to die.

Georgia, Florida, and Texas were carefully drawn to pass specific "due process" laws.

Louisiana and North Carolina laws, which had mandatory capital punishment provisions, were struck down by the court, which invalidated the death sentences handed to about 300 on Death Row. Many States moved immediately to pass new laws and amendments to comply with the new ruling. Capital punishment opponents are also waiting anxiously for a new Supreme Court decision on the constitutionality of the death penalty for rape.

Forty national, religious, civil liberties and civil rights organisations have combined to form the National Coalition Against the Death Penalty. Its co-chair, Miss Deborah Levy, says the real fear about the Gilmore case is that it will play into the hands of some "murder-suicide" phenomenon, which some experts encourage suicide-prone individuals to commit crimes in order to be killed by the State.

Miss Levy argues, however, that penalty opponents did not fully before the Supreme Court that the execution of Gilmore "will put the public in the greater danger from people who want to become 'the violence'."

The case of Gary Gilmore, lost the will to live in prison, has not gone unnoticed on Death Row. At the Texas State Penitentiary, one of two sentenced to die for murder, also asked for the earliest possible date for his execution, saying he does not "deserve forgiveness" for his crime.

Death sentences have been scheduled for other men this month and next, but it will most likely be appealed. The coalition is at present mitted to holding off the "bath" for as long as possible, they feel that in the three to six months, State executions will again be in practice.

THE FINANCIAL TIMES, published daily in London and elsewhere, is a leading world newspaper. It is published in the U.S.A. and Canada by The Financial Times Inc., 100 Park Avenue, New York, N.Y.

OVERSEAS NEWS

Investment laws eased in Egypt

By Our Own Correspondent

CAIRO, Nov. 18. MAJOR CHANGES in Egypt's foreign investment laws have been ordered by Deputy Prime Minister Abdel Moniem el Khatib one week after he took office.

The Egyptian newspaper Al-Ahram reported today that public Law 43, which regulates foreign investment in Egypt, is to be amended in response to suggestions by Arab and foreign investors.

Specifically, the amendments to establish for the first time that money may be taken out of the country at the same exchange rate at which it was brought in, Comhuria said.

Confusion over exchange rates and the repatriation of profits has been frequently cited by foreign businessmen as an impediment to investment in Egypt. Also, the corporate tax, fixed at five to eight years, as established in the investment law, will be increased to more than a five-year minimum. The newspaper did not say by how much more.

The individual income taxes on foreign employees working in Egypt will also be exempted for as yet undefined period.

New executive procedures to back the complicated bureaucracy will be established in an attempt to eliminate the long delays investors now find in trying to establish themselves in Egypt, Dr. Khatib said.

The government will determine which areas of the economy need foreign investment.

Australia blocks U.S. anti-trust action on uranium companies

BY KENNETH RANDALL

CANBERRA, Nov. 18.

LEGISLATION WAS pushed through the Australian Parliament tonight to block U.S. anti-trust action against uranium companies.

The action arises from the complex legal wrangle between the U.S. Westinghouse Electric and the cancellation of its uranium supply agreements with a number of U.S. utilities.

Westinghouse is claiming that the action, which could amount to about \$400 million, is a breach of the 1958 U.S.-Australia uranium agreement.

The action is being sued by 15 American utilities for non-payment of uranium under the disputed contracts and are resisting the claims on grounds that alleged contravention of American anti-trust laws.

In the course of this defence, Westinghouse has lodged formal requests with the Supreme Court of New South Wales for the taking of evidence and the production of certain documents involving the uranium companies.

Simultaneously in the U.S., grand jury is investigating whether criminal prosecutions are warranted against the uranium producers allegedly involved in a price-fixing cartel through talks which began in 1972.

The Australian uranium companies have insisted that there were no cartel arrangements and that the various meetings of international uranium producers were aimed at some form of orderly marketing. In pressing the Government for the action, it took to-night, they have pointed out that they took part in the 1972 talks at the suggestion of the Australian Government of the time.

Introducing the bill, the Attorney-General, Mr. Robert Ellicott, QC, said that claims

The Queensland Trades and Labour Council has decided to strengthen its stand on bans blocking the transport of uranium products from Mary Kathleen Mine in north-west Queensland, Reuters reports from Brisbane.

It has called for an immediate stop to the mining and export of uranium.

were being made that the U.S. anti-trust laws operated outside the U.S. to an extent "which is beyond what is generally conceded in international law and beyond what other countries are presently prepared to concede in relation to the pending proceedings."

Mr. Ellicott said similar claims had been resisted by other countries on other occasions. He cited the 1964 British legislation to block American attempts to regulate shipping between the two countries and recent Canadian action, similar to Australia's, on the uranium wrangle.

The new Australian law gives the Attorney-General unprecedented powers to block anti-trust action such as the current inquiry, even to the extent of putting them beyond challenge "in any court."

Mr. Ellicott is expected to issue the necessary orders on the Westinghouse action immediately. The Bill is signed into law by the Governor-General tomorrow.

Meanwhile, the Australian Uranium Producers' Forum, representing all uranium companies, has described the latest policy on uranium adopted by the Parliamentary Labor Party as "irresponsible, irrational and contrary to Australia's national interests."

The Forum chairman, Mr. G. A. Mackay, said the Labor Party had taken the easy way out "by bowing to the subjective judgments of militant trade unions and the conservation lobby."

The Labor policy says that existing uranium contracts should be honoured but no new uranium mining developments permitted. Any future Government "will not be bound to honour any future contracts entered into by the present Government."

The decision by the parliamentary party runs counter to the existing official platform of the party although it is generally in line with what is expected to emerge from the review of policy at the next national conference of the Labor Party in July.

S. Africa bans more unionists

By Graham Hutton

JOHANNESBURG, Nov. 18.

SOUTH AFRICA Police Minister James Kruger today switched his attack on the black unions to the Durban area serving banning orders on seven people closely involved with the African union movement there. They have to stop all union work and may not attend social gatherings or leave the town.

The seven are Mr. Charles Spinkins, lecturer in economics at the University of Natal and former research officer for the Durban unions; Mr. Alpheus Muthwa, general secretary of the Metal and Allied Workers Union; Mr. Christopher Albert, organiser in the National Union of Textile Workers; and four employees of the Institute for Industrial Education, which provides educational services for the Durban trade unions.

Mr. Michael Murphy, his wife Jeanette, Miss Patricia Horne and Mr. John Capelyn.

There has been widespread international reaction to the banning earlier this week of three officials of the British TUC-backed Urban Training Project, which provides advice, training and services to eight African unions.

The International Metal Workers Federation which represents 13m. workers in Western countries, says it will "launch a world-wide campaign of support for the victims of this latest infringement of human rights."

Beirut airport to reopen to-morrow

BY RICHARD JOHNS

BEIRUT AIRPORT will open to-morrow, just three days after the occupation of the city by the predominantly Syrian Arab joint peace-keeping force brought the guns of the warring parties to silence.

Fighting erupted in the north and south of Lebanon on Wednesday evening and continued yesterday. But Middle-East Airlines announced that it was sending in its first flights from Paris, Geneva and Rome since the closure of the airport in the summer. It is planned to resume the service from London on Sunday.

This will be the most effective demonstration yet that life in the capital has been brought back to normal. President Elias Sarkis was known to be anxious that the airport should be back in action before November 22, Lebanon's national day.

Our Own Correspondent reports from Beirut: Fighting escalated in two regions of Lebanon on Thursday as Mr. Nassir Asaf, chairman of the Palestine Liberation Organisation prepared to discuss inter-Palestinian clashes with Syrian President Hafez Assad in Damascus.

The north and south of Lebanon have been the scene of heavy fighting since yesterday afternoon between Left-wing Lebanese Muslims and Christian Right-wing factions, with reports from the south claiming that Israel was actively supporting the latter.

Inter-Palestinian clashes, on the other hand, took place between the Syrian-backed Al-Salqa organisation and the Democratic Front for the Liberation of Palestine, the Marxist-orientated organisation led by Mr. Naif Hawatmeh, one of several that have reluctantly accepted Syrian presence in Lebanon.

The north and south of Lebanon are the only remaining areas which the Syrian-dominated Arab peacekeeping forces have yet to enter in the third and last phase of their security plan for the country. The first and second phases of the plan have already placed the Arab forces in control of nearly four-fifths of Lebanon.

Fighting in the northern region of Tripoli "was the fiercest in around a month," reports from the area said Thursday. Left-wing forces in the city including the Muslim breakaway faction of the Lebanese Arab Army which is supporting them, exchanged mortar, rocket and artillery fire with the Right-wing "Marada" militia of former President Suleiman Franjeh based in nearby Zogharta, the reports said.

MEAs returns, Page 8

ON OTHER PAGES

International Company News

Estel still gloomy

Battle for Irvine

Recovery at BASF 29/30

Libya role in Filipino rebel talks

The Philippines Government and Muslim separatists open talks in Libya next month which could be crucial to a peaceful settlement of a rebellion in the southern Philippines, Reuters reports from Manila. The move follows a four-day visit to Libya by Mrs. Imelda Marcos, wife of the Philippines President.

Iran oil income

Iran's income from oil this year will reach a record \$22bn, the state-owned National Iranian Oil Company said, Reuters reports. This compares with earnings of around \$18bn. in 1975 and \$12.5bn. between 1973 and 1975 (from the sale of 5.9bn. barrels of oil). He told a Pen Club meeting Iranian crude is now priced at \$11.12 per barrel.

NZ meat shutdown

New Zealand's vital meat killing and processing industry will shut down to-day when 15,000 workers are dismissed, writes Dal Hayward from Wellington. Unions have refused to load meat for export to support a demand for \$NZ150 a day travelling allowance.

Pakistan elections

Political circles in Pakistan were wondering yesterday whether Prime Minister Zulfikar Ali Bhutto intends to postpone general elections due next year after he pointed out on Monday that the constitution provided for postponement of elections for one year. Reuters reports from Islamabad.

EGYPT'S EXPERIMENT WITH DEMOCRACY

Still far from the people

BY MICHAEL TINGAY, CAIRO CORRESPONDENT

PRESIDENT Sadat's carefully hatched experiment with democratic freedoms has produced a Parliament in which rigid political parties form a permanent and an opposition.

It is a far cry from the formal establishment of the political parties of Centre, Left and Right within the Arab Socialist Union followed the comfortable domination of Prime Minister Nasser. Sadat's experiment, which won 280 seats in the 442 seats in the People's Assembly, has produced a Parliament in which rigid political parties form a permanent and an opposition.

It is a far cry from the formal establishment of the political parties of Centre, Left and Right within the Arab Socialist Union followed the comfortable domination of Prime Minister Nasser. Sadat's experiment, which won 280 seats in the 442 seats in the People's Assembly, has produced a Parliament in which rigid political parties form a permanent and an opposition.

Following run-off elections in Egypt's 175 two-seat constituencies the composition of the Parliament is: Centre Party, 280 seats; Progressive Socialists (led by Mohamed Morsi), 20 seats; Socialists (led by Mustafa Kemal Mourad), 10 seats; Independents, 48 seats; Unaffiliated members, 10 seats.

More than 70 members on independent tickets were actually elected but, partly by agreement and partly by persuasion from the Prime Minister, more than 20 of them immediately declared allegiance to the first Party. One of the right-wing candidates had already done the same.



President Anwar Sadat

But sources confirm that the People's Assembly is to feel its way in its role, each party will be a newspaper as the President tries to mould his new Parliament into a political barometer to succeed the moribund Socialist Union, formerly only legal party. The President Sadat hopes, will be him to gauge the gravity of public grievances before they become a crisis on the streets.

gambles in making more democratic changes while opposition expression will be needed easily by the Prime Minister's huge majority.

task ahead for the Government is enormous. Only in the Head of State and Prime Minister were delivered a grim warning of how economic discontent is being fed into a security problem when an illegal bus drivers' brought Cairo to a standstill. The latest power of the

lat hopes the new Parliament will be able to gauge the gravity of popular grievances before they explode on the streets.

once was emphasised when, in having leaders locked resident Sadat personally with the leader of the

extent to which Egypt's people are governed by is frightening. Two of power control the Army and the interior. This members of the armed were quickly sent to join the police in a tatus as observer-guardians electoral process.

reas the army has power not exercise, the police exercise power they do not possess. For instance, the recent Arab summit was when tough security was combined with a new political experiment, "casing up in traffic control,

from the 1967 war, became so embarrassing that the army was sent in.

Two brigades fought a running battle in sugar fields for a fortnight during cane-cutting time. Over 100 bandits were arrested, with an unknown number killed. More than 1,300 weapons were captured, including heavy artillery pieces, anti-aircraft guns and light and heavy machine-guns. Despite the action going to the hills remains a traditional way of side-stepping legal problems, especially where family blood feuds are involved. Taxes are still imposed by gangs on farmers and travellers in this very rough countryside.

Many Egyptians believe that new taxes designed to raise money from capital gains and income from agricultural land and rented property stand no chance of successful implementation. Revenue from direct taxation is tiny compared to the punitive rates theoretically in force. Nor are parts of the Government immune from disrespect for rules, so much so that one foreigner observed that "Egypt revolves in a refreshing cycle of anarchy." Government departments and agencies are turning a blind eye to discreet purchases of real estate and land far above the legal limits of 50 acres per individual. Despite announcements in the Press of raids by police capturing tons of hashish, local users seem to have few complaints about unsold supplies, so that one wonders where marketing activities are not carried out by more people than simply smugglers and account for their actions in the middle-men.

President Sadat called on his new Cabinet to be ready to account for their actions in Parliament and asked both to be less distant from the people. But while the new machinery of Government is gradually being tried out the gulf between Government and the actualities of life for the rural peasant or urban poor seems as great as ever. It is doubtful whether the new political experiment, "casing up in traffic control,

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EUROPEAN NEWS

Oil price
rise danger,
says Perez

Venezuelan President, Sr. Carlos Andres Perez, 10-day described proposals to raise oil prices by up to 15 per cent. as dangerous. Italian sources said. Reuter reports from Rome. The sources quoted the President now on an official visit to Italy, telling Italian President, Sig. Giovanni Leone, that his country would play a moderating role in OPEC talks in Qatar next month on possible price rises. At the same time, President Perez stressed that oil was Venezuela's only instrument for negotiating with industrialised countries. He added that in recent years, the commodity had lost 32 per cent. of its value.

Oil threat to Nine

An increase in oil prices by the Organisation of Petroleum Exporting Countries would mean the 1977 targets set by the EEC Commission for restoring the Community's economic health would definitely not be achieved. Commission Vice-President Wilhelm Haferkamp said. Reuter reports. The Commission wants to see real growth next year of 4 per cent. cuts in the unemployment level, currently running at around 5 per cent., and a reduction in the present 7.5 per cent. rate of consumer price rises.

Swiss referendum

The Swiss Federal Council has fixed March 13, 1977, as the date for two national referenda aimed at cutting back the number of foreigners or naturalised Swiss living in Switzerland, writes John Wicks from Zurich. One is that of Dr. James Schwarzenbach's Republican Movement foreseeing a reduction of the number of resident foreigners by some 300,000 over the next 10 years; the other is the motion of the National Campaign against Foreign Infiltration of People and Homeland aimed at limiting to 4,000 a year the total of naturalisations.

EEC poison move

The EEC Commission in Brussels announced yesterday a plan to cut by half exposure of workers in plastics industries to the toxic chloride monomer gas, writes David Buchanan. The draft directive aims to reduce the risks of VCM poisoning that has killed 52 plastics workers world-wide, including one in each of the British companies of ICI and British Petroleum.

Austria inflation

Austria's annual inflation rate remained unchanged at 7.2 per cent. in October, compared to the same month last year, Paul Lendvai reports from Vienna. Between September and October, there was a slight increase of 0.4 per cent. The inflation rate is calculated in terms of the consumer prices.

W. German rolled steel
orders show further fall

BY GUY HAWTIN

ORDERS FOR West German rolled steel finished products fell further in October, it was disclosed today. This follows last month's news that September's bookings were the fourth lowest since 1970. According to the Iron and Steel Industry Federation, new orders last month amounted to only 1.43m. tonnes — 4.3 per cent. below September's depressed figure of 1.49m. tonnes.

The figures—which do not include semi-finished products, hot-rolled broad strip and special steels—take the August-to-October monthly average order rate down to 530,000 tonnes below the average monthly

bookings recorded in the first half of the year.

September's figures, which were had enough by any standards, were only slightly better than the total for September 1970 and 1971, and showed only a small improvement on those for August last year—the low point of the 1975 recession.

Domestic demand in October perked up a little, rising by 2.1 per cent. from the previous month's 948,000 tonnes to 968,000 tonnes. However, the improvement was still insufficient to take bookings back to August's meagre 983,000 tonnes.

Orders from other EEC countries were down by 4.1 per cent. from 170,000 tonnes to 163,000 tonnes.

FRANKFURT, Nov. 18.

Bookings from countries outside the EEC already down by 19.4 per cent. in September—dropped by 30.5 per cent. from 376,000 tonnes to 260,000 tonnes. At the same time the industry's total order book slid by 7.3 per cent. to end October at 3.25m. tonnes.

The Federation this month gave no reasons for the decline in bookings. However, the strength of the Deutschmark could be a factor. The West German industry is also facing stiff competition from imports from both outside and inside the EEC, but notably from Japan. Since autumn last year imports have increased by 25 per cent., and by August controlled 29 per cent. of the domestic market.

FDP open to coalition variety

BY ADRIAN DICKS

THE WEST German Free Democrats, junior partners in the coalition Government, will open a party conference in Frankfurt to-morrow which is expected to endorse the plans of the party leader, Herr Hans-Dietrich Genscher, to set federal policy for the next four years with the Social Democrats in Bonn, while allowing local state parties to join forces with the Christian Democrats where they can and if.

Herr Genscher himself, after a busy week in Brussels proving the FDP's weight in the Bonn coalition, is likely to be re-elected to his post without opposition. Only one of the seats on the party committee is being contested, and may provide something of a trial of strength between the FDP's Left and Right wings.

However, there will be no formal vote on the merits of the coalition negotiations now going on between FDP leaders in Saxony and the Saarland and their CDU colleagues. Herr Genscher is expected to defend their right to do so, with the argument that it is up to state parties to further the FDP's liberal principles in the manner they consider most suited to local conditions.

At the same time, he will reiterate the party's commitment to the SPD under Herr Helmut Schmidt, and will probably ask for what amounts to a blank cheque to negotiate the details of the coalition Government's policy statement for the next four years. On only two points is the conference to be given an opportunity to give the four FDP members of the Federal Cabinet its advice on

matters of substance: over health policy, where the Left and Right of the party are at odds over proposed changes in hospital treatment, and over the heavy-handed law on extremists. It will be left to the Interior Minister, Herr Werner Maihofer, to explain that liberals may have to go on putting up with a while longer with the much criticised Berufsverbot law, which makes it hard for people of left-wing views to get jobs anywhere in the public sector. On another matter, however, Herr Maihofer has already shown himself to be sensitive to party feelings. This was in connection with the growing storm in Germany over nuclear power, when the Minister remarked recently that it would be impossible to push the Government's power plant programme ahead in the face of citizens' opposition.

Gaullist mayoral defiance

PARIS, Nov. 18.

THE PRO-GOVERNMENT Gaullist Party to-day threw a direct challenge at President Valéry Giscard d'Estaing by rejecting his nominee for Mayor of Paris, a powerful new post to be established in March.

The Gaullists, increasingly antagonistic towards the Independent Republican President in recent weeks, objected to his choice of Industry Minister, M. Michel d'Ornano, also an Independent Republican, as government candidate for the post. Angry at the way in which M. Giscard sought to impose his

will on the Paris political scene, in advance of the March municipal elections, the Gaullist Party executive bureau announced that it would inform Prime Minister Raymond Barre of its negative decision.

The Gaullist leadership wants to put forward one of its local members as leading Government candidate for the job. M. d'Ornano is an aristocrat from Normandy. Both the Gaullists and the Independent Republicans are part of the Government coalition, but the Gaullists have been taking an increasingly tough line with M. Giscard

Andreotti visit confirmed

By Dominick J. Coyne

ROME, Nov. 18.

ALTHOUGH STILL described officially here as being only "probable," it is now known that Sig. Giulio Andreotti, the Italian Prime Minister, will visit the U.S. early next month. The visit is likely to start on December 5 or 7, and Sig. Andreotti will be accompanied by Foreign Minister Arnaldo Forlani. Bilateral arrangements are continuing in Washington on the precise details of Sig. Andreotti's official visit.

Choice for
JET site
narrowed

By Guy de Jonquieres

BRUSSELS, Nov. 18. THE DECISION on the site for the JET, the EEC's ambitious thermonuclear fusion project, has now been effectively narrowed down to a choice between Culham, Berks, and Garbsing in Germany, though France is continuing to fight a rear-guard action in favour of its facility at Cadarache.

This emerged at a meeting of EEC research ministers here to-day, at which it was also agreed in principle that Governments should try to reach a final decision on the site for the venture to be built at a cost of about 280m., by the end of this year.

In a round-the-table poll, all but the French and Italian representatives at to-day's meeting agreed that the eventual site should have an existing research capability in plasma physics, the scientific discipline used in thermonuclear fusion. Of the four main sites under consideration, only Culham and Garbsing meet this requirement.

Mr. Alex Eadie, Parliamentary Under-Secretary at the Energy Department, who represented Britain at the meeting, later said that he was pleased at the progress made both on JET and on the related question of a new financing plan for the Community's joint research programme.

This plan, calling for expenditures of about £150m. over the next four years, was provisionally approved to-day after the U.K. scaled down its demands for sharp cuts in staffing at the EEC joint research centre. But both Britain and Germany made their final consent conditional on Ispra in Italy not being chosen as the JET site.

Though originally favoured by the EEC Commission, Ispra has now dropped out of the running. But in return for agreeing to relinquish its claim, Italy has insisted that the financing plan should be large enough to ensure that Ispra is awarded a sizeable amount of other research work.

A good deal of further discussion must take place before a final decision on the JET site can be made. A majority of Governments favour a straight-up and down vote, but France is opposed, and a way must be found to reconcile these differing conditions.

France's chances of securing the JET site now seem very slim, all the more so because of its insistence that the lion's share of the work should be given to national scientists rather than to Community researchers, as Commission has proposed. But it sticks by its current position it could complicate the process of reaching a final decision.

THE FRENCH STEEL INDUSTRY

A deep depression

BY DAVID CURRY IN PARIS

THE GRAVITY of the crisis in the French steel industry, which has already underscored by short-term working and lay-offs, after 50,000 workers in Lorraine, has been emphasised by rumours that the industry in this region is planning to reduce its workforce by up to 20,000 men, and by the statement from the Ministry of Labour, M. Charles Bouillat, that productivity is not adequate and that a cut in jobs is necessary.

Although M. Jacques Ferry, head of the French Steelmakers' Federation, has said no new rationalisation plans exist, he admits that studies are under way to tackle the problem, and that some cuts in manpower are probable.

While denying that there is any structural weakness in the steel industry, which has spent some Frs. 42m. at current prices on new plant in the past 10 years, he admitted that it was particularly vulnerable to crisis because of its high level of indebtedness, and its inferior productivity compared with competitors, as a result of its need to safeguard employment.

The French steel industry took its present shape in the course of the restructuring programme undertaken in 1966-68. This period saw the emergence of two relative giants—Saciilor-Solac and Usinor—who between them account for two-thirds of the country's output. In the course of these changes, employment in the Lorraine steel industry fell by 15,000 jobs due to retirement, natural wastage and transfers.

Lorraine now provides some 80,000 shop floor jobs and produces almost half of French steel. Another third is produced by some 37,000 workers in the traditional steel area around Valenciennes and the new coastal site at Dunkirk. About 21,000 men work in the central sector around Le Creusot, and the rest long products.

The French steel industry is heavily geared towards making long products—designed for the metallurgical building and capital goods industries—have suffered more from the recession than flat products, particularly Sacilor, which is heavily geared towards making long products.

Further large-scale structural changes are ruled out. Usinor term debt. Of this debt, about 20 per cent. is owed to the State on European standards (8m. tonnes output respectively around 91 per cent., and some 7 per cent. to the European Coal and Steel Community (ECSC) at comparable rates. Repayment of principal and interest costs become a victim of the depressed other words roughly equivalent to the most optimistic guess for 1977 investment.

The level of investment has been steadily declining from 1973's Frs. 5.4bn. to an estimated Frs. 2.5bn. this year. The main stage of development up to 3.5m. tonnes a year

would be completed in 1975 and the second stage doubling production would begin immediately with Thyssen raising its stake to 25 per cent.

The second stage is hanging in the balance. The new capacity is planned to be added in 1980. If the project is resumed next year it will be by Usinor, which has completed its major expansion to 8m. tonnes a year. Growth until 1980, will consist mainly of adding the second heavy plate mill.

It is in Lorraine that the recession has struck hardest. One reason is the relatively low productivity of a region which has by and large very old facilities. In 1974, France required

10.8 man hours to make one tonne of steel, while the rest of Europe—apart from the U.K. with 12 man hours—ranged from 7.7 man hours to 8.5. Second, long products—designed for the metallurgical building and capital goods industries—have suffered more from the recession than flat products, particularly Sacilor, which is heavily geared towards making long products.

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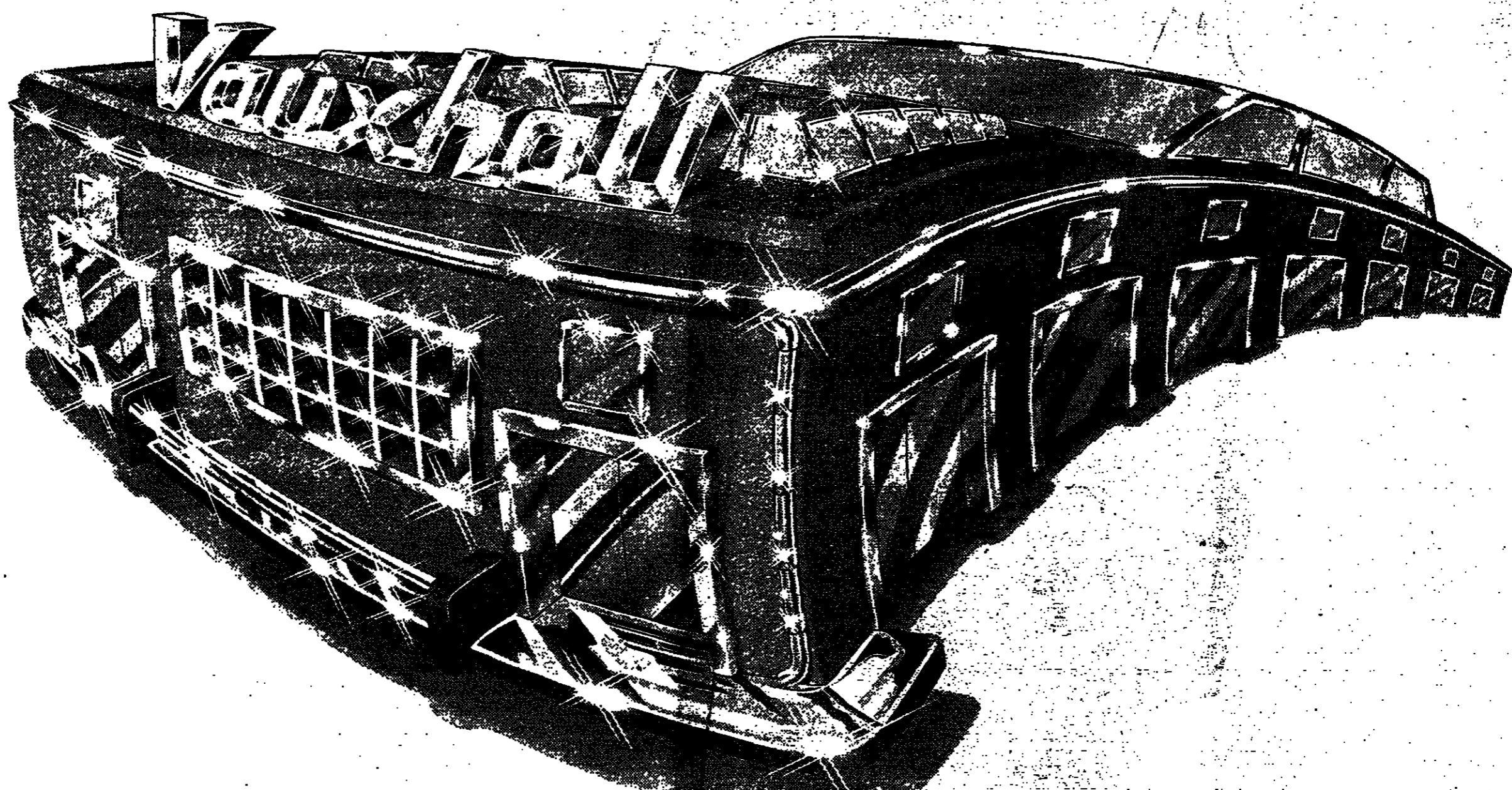
the limited growth at Dunkirk and the modernisation of its Sacilor plants in Lorraine, their output of some 3.3m. tonnes. This project will account for a large share of the Frs. 2.5bn. spent in the region between 1980 and 1985, while Usinor's investment to modernise its facilities may total around Frs. 550m. to raise capacity for growth in the region's reserves from one to two million tonnes.

Domestic prices are 25 per cent. below the best level of 1974, while wage and material costs have risen 20 per cent. Output nationally this year is put at 23m. tonnes, 2m. tonnes down on earlier hopes. The EEC market has been depressed by imports. Historically, importers have taken 8 per cent. of the Community market. Over the second half of 1975 this reached 8 per cent. and in the middle quarter 1976 it reached 11 per cent., a consumption of about 900,000 tonnes. Japanese imports accounted for 14 per cent. of this but EEC officials noted a string of countries never before exporting to the Community.

On third markets, the situation was even more serious. In 1975, two-thirds of the market was down to 20 per cent. of the first six months of 1974. The Japanese share was up to 20 to 60 per cent. The industry professes to have a glimmer of light. In hard times it hopes that the drive down given to Japanese offers in Brussels and Paris on a need to adjust the trade balance will bring home to the Japanese Government the importance of imposing export restraint on companies.

In Europe, France thinks proposals to reinforce the activities of the ECSC must be made. The balance sheet will carry right direction provided it includes provision for capital and semi-automatic reaction to crisis and for production cuts at the company level.

On the domestic front, a legislative election of 1977 is large. Though steel is not a dominant issue, the Communist CGT union which dominates in the steel industry has demanded the inclusion

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DEPARTMENT OF ENERGY



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European nations likely to agree on arms co-operation

BY MALCOLM RUTHERFORD

FRANCE AND the other European members of the Atlantic Alliance are expected to reach agreement in principle on a joint approach to arms procurement when the European Programme Group (EPG) meets in Rome next week.

The meeting will seek to establish the general guidelines for arms co-operation in Europe and could thus pave the way for a joint approach to the U.S. to try to create a more equal traffic in arms purchases between Europe and North America.

The EPG was constituted only last February. Its importance lies in the participation of France, which has always refused to join the ten-nation Eurogroup, where European arms co-operation has been discussed in the past.

It is acknowledged in the Eurogroup that co-operation without France — which is a major arms producer — can be only limited. At the same time, the French appear to have recognised that co-operation is necessary if their own arms exports industry is to secure sufficient export orders.

Since its formation, the EPG has set up a number of sub-groups to look at various aspects of the problem. All members have submitted their current plans for national arms replacement programmes over the next 10 to 15 years and there has been an attempt to harmonise these as much as possible.

One group is now looking at the immediate prospects for harmonisation in about ten fields. There have also been detailed discussions on the economics of co-operation in the widest sense. This includes the question of compensation to countries which might be asked to give up national production programmes in the interests of a more integrated European armaments programme.

The Rome meeting will take place on November 22-24, only a fortnight before the winter series of Nato meetings where the questions of arms standardisation and interoperability will be discussed by the Alliance as a whole. The expectation is that it will be sufficiently successful to allow a statement on the progress so far to be published at the end.

Counter to Soviet missile

BY OUR FOREIGN STAFF

DR. JOSEPH LUNS, the Nato Secretary-General, confirmed yesterday that the U.S. is taking additional measures, beyond the sending of more nuclear weapons-carrying aircraft to Europe, to counter the probable deployment of the Soviet SS-20, intermediate range ballistic missile.

The SS-20 has emerged as one of the most immediate factors threatening to undermine Nato's long-held superiority in tactical nuclear weapons. Mr. Donald Rumsfeld, the U.S. Defence Secretary, said yesterday that it could be deployed "at any time."

With a range of about 2,500 miles, the SS-20 is a mobile missile which is believed to be equipped with multiple, independently-targetable, re-entry vehicles (MIRVs). Its range means that it could be deployed inside the Soviet Union and be able to reach all major West European cities, but does not count as strategic, in the sense used at the strategic arms limitation talks (SALT), which are confined to intercontinental missiles. Its mobility means that it does not have to be launched from fixed sites, and is therefore more difficult to locate.

Speaking at a press conference in London after the meeting of the Nato Nuclear Planning Group (NPG), Dr. Luns said that the U.S. was taking "extraordinary measures" to counter the SS-20, and suggested that it was also introducing new methods of surveillance, presumably both of location and targeting. This follows recent announcements that the U.S. is increasing its air defence capability in Europe next year. Dr. Luns added that despite the counter-measures under way, deployment of the SS-20 would still have an adverse effect on the nuclear balance in Europe.

The NPG meeting, also discussed for the first time the implications for Europe of the new cruise missile technology which could, in theory, redress the balance in favour of the west. These are relatively cheap to produce, can be launched from a variety of platforms, and can be nuclear or conventional. But their deployment in Europe is still many years away.

USSR output

MOSCOW, Nov. 18.

INDUSTRIAL output in the Soviet Union rose by 4.5 per cent during the first 10 months of 1976, according to the official Tass news agency.

In the January to October period, the USSR produced 431m. tons of oil, 284m. cubic metres of natural gas, 501m. tons of coal, and 304m. kilowatts of electric power. UPI

East Europe

Loosening economic ties, discontent in Poland and 100,000 seeking to leave East Germany are just some of the problems facing the East European bloc's annual meeting next week. David Lascelles examines the...

Signs of strain in the Warsaw Pact

WHEN Mr. Leonid Brezhnev and his fellow East European leaders, flanked by their generals, gather in Bucharest next week for their annual Warsaw Pact summit, they should have a packed agenda. There are the implications of the U.S. and West German elections, the demise of Chairman Mao and the military aspects of the Helsinki Agreement to discuss.

But things have moved inside the Pact, too. The many bonds that hold the Soviet bloc together — ideological, economic and political — have all changed somewhat, some for the better, others for the worse.

The most striking change is the appearance of a new Soviet Defence Minister, Dmitry Ustinov, following the death of Marshal Grechko, last spring. Though hastily promoted, Marshal Ustinov has a civilian background and is defence-related industries. This marks a departure from the Kremlin practice of giving the job to career soldiers, which could produce some, albeit marginal, shift of emphasis in the Soviet defence effort.

Speculation

Last spring also saw the death of General Shumenko, the Chief of Staff of the Warsaw Pact forces, and his replacement by another Russian, General Grybkov. There was a delay of several months in this appointment, which gave rise to speculation that other Warsaw Pact members had renewed demands that one of their number be given a high post. These demands are believed to have been made several times in the past.

The fact that they have got nowhere confirms that Moscow is not prepared, even for the sake of appearances, to relinquish its hold over the Pact, or for that matter, over the Pact's defence industries. With only minor exceptions, the Russians produce all important military equipment, though they draw heavily on components from other Pact members.

Most of the new East European Five Year Plans talk of the need to enter for defence, most explicitly the Czechoslovak plan, which lists an increase in defence capability among its top economic priorities. The fact that non-Soviet military production is based on Soviet specifications gives the Pact a useful share of trade with the West, mainly to buy equipment and technology to speed up their development. It could be argued, of course, that these imports strengthen the military-industrial complex, but there are other much feared machine is not as factors at work, too.

advanced as once supposed, there is nothing to suggest that the Pact's preparedness has weakened.

The Soviet Union is increasing the size of its forces, and has recently produced new types of aircraft, naval vessels and missiles. And while its technology lag vis-a-vis the U.S. in some types of weapons like the

The ups and downs of the Soviet harvest have virtually wiped out the Russians' role as major food suppliers to the rest of the Pact. The country with the highest reliance on the Soviet Union for grain is the GDR, with 10 per cent. But this country imports similar amounts from outside the bloc, so does Poland, trade with each other. Last year it was 54 per cent, and this

reasonable to assume that ordinary East Europeans are becoming more self-assertive elsewhere, making it difficult for governments to allocate their resources as the Pact's interests dictate.

And though only Poland has reached a state of crisis, the fact that other countries are having to help it out put a strain on the resources of the Pact as a whole.

The other country that must be causing concern is East Germany, where the present signs of ferment, though small, would provoke a far worse crisis than Poland's if they got out of hand. East Germany is not only the Pact's bulwark. Over 100,000 of its still shrinking population have asked to leave. The fact that the Russians keep four times as many divisions there as anywhere else speaks for itself.

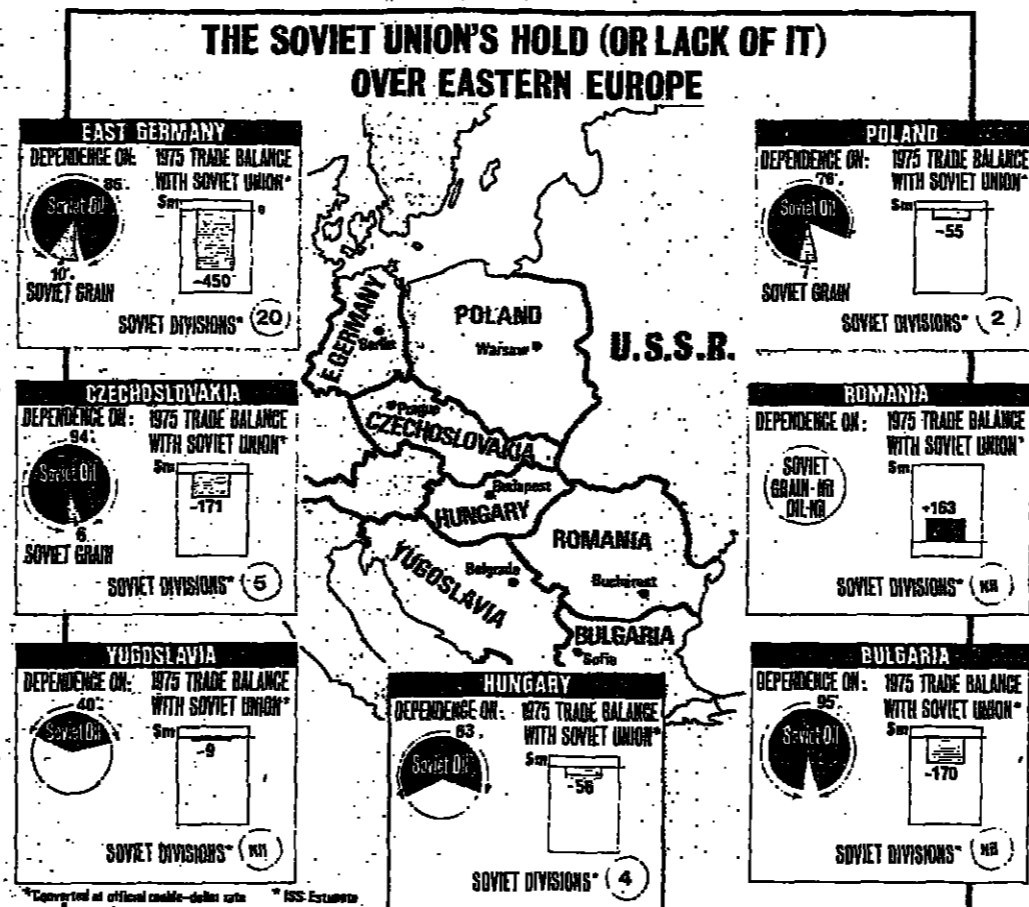
To some extent these political strains have been counterbalanced by fresh affirmations of solidarity. The very fact that Romania, the Pact's most reluctant member is hosting the summit marks a gain for the Russians. True, summit venues are rotated between members. But Romania somehow managed to avoid being chosen for ten years, and as the diagram shows, its reliance on the Russians is less than Yugoslavia's, which though not a Pact member is included here for comparison.

Stepped up

Ideological collaboration in East Europe has also been stepped up, boosted by the recent round of party congresses and the Berlin Communist conference.

Whether this is a sufficient counterweight remains to be seen. The Russians probably think it is, because on the economic front at least, they have the power and resources to tighten mutual dependence. (They have enough oil to satisfy all the Pact's needs, but their policy is currently to sell a portion of it on the hard currency markets.)

And the Pact's present difficulties are not comparable to Nato's, where economic and political strains have been taking a toll for some time. Few voices inside the Soviet Union can be heard clamouring for defence cuts, even though the Russians are now estimated by the West to be devoting some 15 per cent of GNP to their military effort. And it is now over eight years since Czechoslovakia provoked the last major crisis between Pact members.



Yugoslavs will stay on alert

BELGRADE, Nov. 18.

YUGOSLAVIA has served notice that it will not relax its defences, despite a public assurance from Soviet party leader, Mr. Leonid Brezhnev, that the Soviet Union has no aggressive intentions.

Shortly after Mr. Brezhnev left here yesterday after a three-day visit, the Yugoslav news agency Tanjug released extracts of an official report which said that Yugoslav armed forces were capable of fighting against "any aggression, whether by land, sea or air."

Mr. Brezhnev, in a speech here on Monday, ridiculed any suggestion that the USSR was "a terrible bloodthirsty wolf" which might one day devour the Yugoslav "Red Riding Hood." He and President Tito signed a communique recognising Yugoslavia's unfettered right to develop its own form of communism.

Tanjug quoted the report as saying: "Because of Yugoslavia's important geo-strategic position, and the ambitions of those forces to whom the fundamental characteristics of Yugoslavia's internal and external affairs are not acceptable, further pressures and attempts at interference may be expected."

The report, by the collective state presidency on foreign and domestic policy, will be released in full at the end of next week, coinciding with a speech by President Tito to the Federal Assembly in Belgrade and the Warsaw Pact summit meeting in Bucharest.

U.S. Secretary of Commerce, Mr. Elliott Richardson will visit Yugoslavia from November 25-28 for talks with Yugoslav Government leaders. It was announced in Belgrade today.

Mr. Richardson's visit will be part of a 16-day mission which will take him to London, Bucharest, Budapest, Rabat and Lisbon.

RUSSIA BANS U.S. ENVOY

MOSCOW, Nov. 18.

THE SOVIET Union has barred a senior American diplomat from returning to his post in Moscow, apparently in retaliation for similar action against a Russian official in the United States, a U.S. Embassy spokesman said today.

The diplomat, Mr. Marshall C. Brewster, was effectively number two at the Embassy, Reuter

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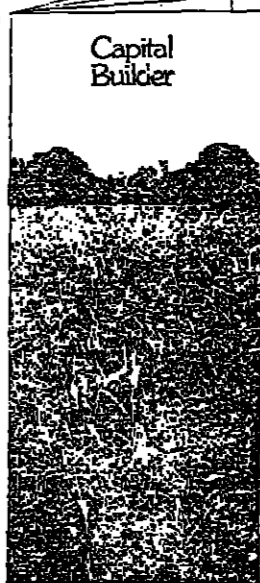
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WORLD TRADE NEWS

Japan discusses measures to step up EEC imports

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Nov. 18.

OFFICIALS FROM eight Japanese ministries met today to discuss ways in which exports from Europe could be increased so as to reduce the present heavy imbalance on Japan-Europe trade.

The measures discussed apparently included relaxation of health controls and inspection requirements on food and pharmaceutical products to those which have been named by the EEC as sectors in which it feels it should be able to increase its Japanese sales.

An official of the Foreign Ministry said, however, that no decision had been taken on steps to increase imports of food and other farm products. The European demand for a major increase in farm exports to Japan seems to have run into opposition from officials at the Ministry of Agriculture who are pointing out that Japan is in deficit with Europe in this sector and that special treatment for European exporters would raise problems between Japan and other suppliers of farm products.

A spokesman for the Foreign Ministry said today that it was important for Japan to make its "most sincere efforts" to deal with European complaints about the trade imbalance. The Government view remains, he said, that the problem should be solved by stepping up imports of European goods into Japan rather than by placing additional curbs on Japanese exports to Europe. Japan is also going out of its way to stress that any con-

cessions it may make during current trade negotiations with Europe should not be regarded as a precedent for similar demands by other trading partners.

In this context the Japanese were evidently not pleased to receive a request last week from the U.S. for bilateral talks on world trade in steel in 1977. The American request (whose existence was only revealed today by the Foreign Ministry) includes a stipulation that Japan will not be asked to curb its exports to the U.S.

The Japanese, however, feel that the U.S. is asking for talks because of its concern that Japanese steel exports may be diverted to America as a result of the extension into 1977 of Japan's arrangements for "voluntarily" restraining exports to the EEC. The Foreign Ministry said today that no decision had been taken on the American request as yet but that it was "normal Japanese practice" to accept in such a situation.

Apart from the discussions under way inside the Japanese Government, talks are being held between the Keidanren (the Japanese equivalent of the CBI) and the main Japanese industries affected by the EEC's recent demands. The Keidanren yesterday held meetings with the five "sensitive" export industries nominated by the EEC—steel, shipbuilding, cars, electronics and ball bearings. On Friday with Europe.

talks are due to be held with industries which stand to be affected by EEC requests for increased access to the Japanese import market. The industries include cars, pharmaceuticals and food.

The outcome of the Wednesday meeting appears to have been largely negative in that most of the industries involved referred to measures already in force or announced. Ball bearings manufacturers pointed out that the industry is about to raise its prices in Europe. The steel industry indicated (correctly) that steel exports were discussed and apparently settled at discussions last week in Brussels between Japanese and EEC bureaucrats.

Motor manufacturers said that the industry was voluntarily exercising restraint on its exports to the U.K. but was not in a position to accept a sharp cut in its market share. The shipbuilding industry referred to measures already being taken to reduce man hours and output in the industry.

The Japanese Government is taking the line that it is not under any obligation to come up with a comprehensive set of solutions to the trade problem before the EEC summit meeting due on November 29 (let alone before the preparatory meeting of foreign ministers due to be held on November 23). This does not alter the fact that Japan is, in fact, trying hard to think of ways of averting a trade crisis with Europe.

E. Europe deficit decreases

By Nicholas Colchester

BONN, Nov. 18.

THE trend towards a more balanced trading relationship between West Germany and the Communist bloc continued in the third quarter of the year, according to figures released today by the West German Economics Ministry.

Compared with the extraordinary surplus reported last year, German exports to Communist countries (including Korea and China but excluding Yugoslavia) were up by only 2.7 per cent in the first nine months to DM13bn, whereas imports from these countries were up by 33.5 per cent to DM5.01bn. Thus, the trade surplus in the bloc in the first three quarters was down from DM8.68bn to DM4.99bn.

Therefore the Communist bloc was able to cover two-thirds of imports with export sales in the period under review compared with a coverage of only 50 per cent last year. Russia achieved a coverage of 70 per cent in the third quarter which put it in a better position than its smaller East European satellites, which averaged 63.5 per cent, and China with 50 per cent.

U.K. hopes in Venezuela

By Hugh O'Shaughnessy

BRITISH EXPORTS to Venezuela, which last year rose 87 per cent to £92m, could this year rise by another 40 per cent, said Mr. Ted Rowlands, Minister of State at the Foreign and Commonwealth Office. The visit of President Carlos Andres Perez, the Venezuelan leader, to London on Sunday could result in substantially increased trade, he added.

More than 100 companies are to participate in the British Industrial Exhibition to be staged in Caracas from March 15-24 and all the inside space in the Polledro exhibition hall in the city has been taken up.

The show will include a trade information centre run by Foreign and Commonwealth Office and ECGD staff and personnel from the Venezuelan British Chamber of Commerce.

Big 'arms-for-oil' deal signed by BAC and Iran

BY ROBERT GRAHAM

TEHRAN, Nov. 18.

AFTER EIGHT months of highly complex negotiations, BAC today signed an agreement here for the first ever large scale arms supply deal to be paid for in oil by the Iranian Government.

The deal involves the supply by BAC of the tracked Rapier missile—a deal worth \$600m—over 100m more than when first revealed last December.

The agreement was signed on behalf of BAC by Mr. George Jefferson, managing director of BAC's guided weapons division and by General Tufanian, Vice-Minister of War.

In return for supplying the tracked Rapier—a mobile version of the Rapier missile already in use by the Iranian armed forces—BAC will receive precise quantities of crude oil. The cost of the oil will be supplied by NIOC, the National Iranian Oil Company, to BAC at commercial rates outside the U.K. by Shell and Overseas Oil Company. The deal will work out the entire price of the contract in oil, the supply will work out at about 18,000 b/d. The first delivery will be next month and this will be followed by subsequent deliveries, anticipating the oil price rise in January.

The Iranians first approached BAC at the end of January on arrangements for payment in oil. This was at a time when Iran was feeling a serious cash shortage as a result of the oil price rise.

BAC officials here to-night declared themselves very pleased with the conclusion of what has been an extremely complex package. Also agreed was the creation of a joint company to be formed with the State-owned electronics organisation, TEL, based in Shiraz on a 50/50 basis in favour of the Iranian Government. But BAC will, in effect, have important management control and it will be very much an equal venture, according to BAC officials. The capital of the new company, to be known as Irano-British Dynamics, has not been revealed.

BAC anticipated three further contracts to be signed over the next few years. The first of these will be a supply contract for Rapier supply contract, services, technical co-operation and matters relating to assembly and local manufacture.

Under the agreement on the take-over of Qatar Petroleum, which operates the on-shore fields, all the associated gas resources became under the full direct control of the Government.

The decision is not surprising. Currently, Shell is involved in negotiations on terms of a 100 per cent take-over of Shell Qatar Chemical Engineering to build a plant at Umm Said to produce 600,000 tons of NGL annually—600,000 tons of liquid petroleum gas and 300,000 tons of natural gas. The pipeline is being constructed by Saptim under a \$250m contract awarded in April to bring ashore the associated gas from the State's offshore oil fields.

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BEHIND today's resumption of passenger flights by Middle East Airlines of the Lebanon between Beirut and London following the reopening of the international airport there lies the story of how the airline has been in contact over recent months despite the temporary loss of its home base, all of its routes, and many of its staff.

In a week, Sheikh Naji, chairman and president of MEA, has been kept on stand-by by two Boeing 707s at one 747, out of the airline's fleet of 20 jets, for flights to Lebanon within hours of the reopening of Beirut airport. This morning's first flight is from Paris.

Until the end of December MEA will be flying three times weekly between London and Beirut (on Tuesdays, Thursdays and Sundays), but it plans to fly back to a daily frequency by New Year.

The airline's fleet of Boeing 707-300s, 14 707-320s, 14 707-330s, 14 707-340s, 14 707-350s, 14 707-360s, 14 707-370s, 14 707-380s, 14 707-390s, 14 707-400s, 14 707-410s, 14 707-420s, 14 707-430s, 14 707-440s, 14 707-450s, 14 707-460s, 14 707-470s, 14 707-480s, 14 707-490s, 14 707-500s, 14 707-510s, 14 707-520s, 14 707-530s, 14 707-540s, 14 707-550s, 14 707-560s, 14 707-570s, 14 707-580s, 14 707-590s, 14 707-600s, 14 707-610s, 14 707-620s, 14 707-630s, 14 707-640s, 14 707-650s, 14 707-660s, 14 707-670s, 14 707-680s, 14 707-690s, 14 707-700s, 14 707-710s, 14 707-720s, 14 707-730s, 14 707-740s, 14 707-750s, 14 707-760s, 14 707-770s, 14 707-780s, 14 707-790s, 14 707-800s, 14 707-810s, 14 707-820s, 14 707-830s, 14 707-840s, 14 707-850s, 14 707-860s, 14 707-870s, 14 707-880s, 14 707-890s, 14 707-900s, 14 707-910s, 14 707-920s, 14 707-930s, 14 707-940s, 14 707-950s, 14 707-960s, 14 707-970s, 14 707-980s, 14 707-990s, 14 707-1000s, 14 707-1010s, 14 707-1020s, 14 707-1030s, 14 707-1040s, 14 707-1050s, 14 707-1060s, 14 707-1070s, 14 707-1080s, 14 707-1090s, 14 707-1100s, 14 707-1110s, 14 707-1120s, 14 707-1130s, 14 707-1140s, 14 707-1150s, 14 707-1160s, 14 707-1170s, 14 707-1180s, 14 707-1190s, 14 707-1200s, 14 707-1210s, 14 707-1220s, 14 707-1230s, 14 707-1240s, 14 707-1250s, 14 707-1260s, 14 707-1270s, 14 707-1280s, 14 707-1290s, 14 707-1300s, 14 707-1310s, 14 707-1320s, 14 707-1330s, 14 707-1340s, 14 707-1350s, 14 707-1360s, 14 707-1370s, 14 707-1380s, 14 707-1390s, 14 707-1400s, 14 707-1410s, 14 707-1420s, 14 707-1430s, 14 707-1440s, 14 707-1450s, 14 707-1460s, 14 707-1470s, 14 707-1480s, 14 707-1490s, 14 707-1500s, 14 707-1510s, 14 707-1520s, 14 707-1530s, 14 707-1540s, 14 707-1550s, 14 707-1560s, 14 707-1570s, 14 707-1580s, 14 707-1590s, 14 707-1600s, 14 707-1610s, 14 707-1620s, 14 707-1630s, 14 707-1640s, 14 707-1650s, 14 707-1660s, 14 707-1670s, 14 707-1680s, 14 707-1690s, 14 707-1700s, 14 707-1710s, 14 707-1720s, 14 707-1730s, 14 707-1740s, 14 707-1750s, 14 707-1760s, 14 707-1770s, 14 707-1780s, 14 707-1790s, 14 707-1800s, 14 707-1810s, 14 707-1820s, 14 707-1830s, 14 707-1840s, 14 707-1850s, 14 707-1860s, 14 707-1870s, 14 707-1880s, 14 707-1890s, 14 707-1900s, 14 707-1910s, 14 707-1920s, 14 707-1930s, 14 707-1940s, 14 707-1950s, 14 707-1960s, 14 707-1970s, 14 707-1980s, 14 707-1990s, 14 707-2000s, 14 707-2010s, 14 707-2020s, 14 707-2030s, 14 707-2040s, 14 707-2050s, 14 707-2060s, 14 707-2070s, 14 707-2080s, 14 707-2090s, 14 707-2100s, 14 707-2110s, 14 707-2120s, 14 707-2130s, 14 707-2140s, 14 707-2150s, 14 707-2160s, 14 707-2170s, 14 707-2180s, 14 707-2190s, 14 707-2200s, 14 707-2210s, 14 707-2220s, 14 707-2230s, 14 707-2240s, 14 707-2250s, 14 707-2260s, 14 707-2270s, 14 707-2280s, 14 707-2290s, 14 707-2300s, 14 707-2310s, 14 707-2320s, 14 707-2330s, 14 707-2340s, 14 707-2350s, 14 707-2360s, 14 707-2370s, 14 707-2380s, 14 707-2390s, 14 707-2400s, 14 707-2410s, 14 707-2420s, 14 707-2430s, 14 707-2440s, 14 707-2450s, 14 707-2460s, 14 707-2470s, 14 707-2480s, 14 707-2490s, 14 707-2500s, 14 707-2510s, 14 707-2520s, 14 707-2530s, 14 707-2540s, 14 707-2550s, 14 707-2560s, 14 707-2570s, 14 707-2580s, 14 707-2590s, 14 707-2600s, 14 707-2610s, 14 707-2620s, 14 707-2630s, 14 707-2640s, 14 707-2650s, 14 707-2660s, 14 707-2670s, 14 707-2680s, 14 707-2690s, 14 707-2700s, 14 707-2710s, 14 707-2720s, 14 707-2730s, 14 707-2740s, 14 707-2750s, 14 707-2760s, 14 707-2770s, 14 707-2780s, 14 707-2790s, 14 707-2800s, 14 707-2810s, 14 707-2820s, 14 707-2830s, 14 707-2840s, 14 707-2850s, 14 707-2860s, 14 707-2870s, 14 707-2880s, 14 707-2890s, 14 707-2900s, 14 707-2910s, 14 707-2920s, 14 707-2930s, 14 707-2940s, 14 707-2950s, 14 707-2960s, 14 707-2970s, 14 707-2980s, 14 707-2990s, 14 707-3000s, 14 707-3010s, 14 707-3020s, 14 707-3030s, 14 707-3040s, 14 707-3050s, 14 707-3060s, 14 707-3070s, 14 707-3080s, 14 707-3090s, 14 707-3100s, 14 707-3110s, 14 707-3120s, 14 707-3130s, 14 707-3140s, 14 707-3150s, 14 707-3160s, 14 707-3170s, 14 707-3180s, 14 707-3190s, 14 707-3200s, 14 707-3210s, 14 707-3220s, 14 707-3230s, 14 707-3240s, 14 707-3250s, 14 707-3260s, 14 707-3270s, 14 707-3280s, 14 707-3290s, 14 707-3300s, 14 707-3310s, 14 707-3320s, 14 707-3330s, 14 707-3340s, 14 707-3350s, 14 707-3360s, 14 707-3370s, 14 707-3380s, 14 707-3390s, 14 707-3400s, 14 707-3410s, 14 707-3420s, 14 707-3430s, 14 707-3440s, 14 707-3450s, 14 707-3460s, 14 707-3470s, 14 707-3480s, 14 707-3490s, 14 707-3500s, 14 707-3510s, 14 707-3520s, 14 707-3530s, 14 707-3540s, 14 707-3550s, 14 707-3560s, 14 707-3570s, 14 7

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Incentives for technology workers urged by MPs

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

FISCAL CHANGES to provide companies with more funds for innovation and to raise post-tax pay incentives for technology workers were urged on the Government yesterday by a select committee which said they would help restore an expanding industrial economy.

The committee, a sub-committee of the Science Research Council, declared in a far-reaching report on the gap between education and industry that a concerted attempt to clarify in the public mind the distinction between "unacceptable face" of capitalism and the "unacceptable face" of socialism might well be an indispensable condition of survival now.

Britain has opted out of the industrial race it faces, said the committee, "North Sea oil notwithstanding — for there is no sign that it has opted out of the race to possess the fruits of industrial growth either in the form of personal possessions or in the services of the State."

In the present tangle of policy affecting industry, research, and education, however, British manufacturing concerns were caught in an innovation-trap.

"Because of the low added-value earned by their activities they face an acute shortage of funds for investment in research and development," the committee said. "Without such innovation they are unable to achieve significant increases in this added-value."

Moreover, the sub-committee, which in its latest form consisted of four Tory and two Labour MPs, believed the relatively low status and pay of engineers and scientists working in industry, as compared particularly with the civil service, were important factors in the continuing existence of a largely debilitating mismatch between the aims and practices of the education system and those of the wealth-creating sector.

It recommended a much higher priority in educational policy for the training of engineers and applied scientists suitable for industrial employment.

Several science and technology faculties, including those at Cambridge, should be picked out of the general university field and designated as special schools.

At undergraduate level, the sub-committee called for a thorough and urgent review of the content and shape of undergraduate courses in engineering and greater collaboration among universities, polytechnics and the professional institutions in the control of standards and course design.

It proposed the appointment of a Department of Education and Science of a Minister of State responsible for science and technology, and urged Mrs. Shirley Williams, the Education Secretary, to pay extra attention to the scientific aspects of her job.

Mrs. Williams was also asked to inquire into the attitudes in the industry of school-teachers and careers advisers, if necessary, to improve the system, how to improve the advice it provides on careers in the wealth-creating sector.

In a proviso to its proposals concerning better status, pay and opportunities for scientists and engineers in industry, the MPs accepted that any such out of the general university field and designated as special schools.

CBI seeks tax estimates

BY OUR INDUSTRIAL STAFF

GOVERNMENTS SHOULD provide at the start of each Parliamentary session a White Paper setting out estimates in general terms of the likely cost to industry and to the taxpayer of the proposals in the Queen's Speech. This was suggested by Mr. John Methven, director general of the Confederation of British Industry, last night.

The proposals would then be discussed in broad terms, he said, in the National Economic Development Council and the House of Commons, and then made fully available to Parliament and of course to the public.

Such estimates should be discussed in the National Economic Development Council and the House of Commons, and then made fully available to Parliament and of course to the public.

Race myths attacked

MOST OF the stories about immigrants are not true, says a report published today by the Labour Research Department.

The report states that Britain's black citizens are less of a burden on the social services than others: they have not undermined standards, they are not causing housing difficulties, and immigration is now reduced to "a trickle."

The Labour Research Department, which has no official links with the Labour Party, says that the black population comprised only 3.2 per cent of the population in 1974.

Howe pledge on VAT

THE TORIES plan to switch back to a single rate of VAT, Sir Geoffrey Howe, the Shadow Chancellor, said yesterday. The party had set up an expert team which would work to simplify the administration.

Sir Geoffrey, speaking at the Caravan Show in London, said the team under Treasury spokesman Mr. David Howell would welcome suggestions for improving the working of the tax.

He had a word of consolation for the caravan industry, which he said had suffered from ill-timed VAT changes introduced by Labour.

WE, THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both a world war. We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association, BLESMA (The British Limbless Ex-Services Men's Association) look after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that the ex-servicemen get the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help BLESMA, please. We need money desperately. And we promise you, not a penny of it will be wasted.

Donations and information: Major The Earl of Ancaster, KCV, TD, Midland Bank, Limited, 60 West Strand, London EC4A 3DF.

British Limbless Ex-Services Men's Association

EEC and Japanese shipyards row likely to intensify

BY DOUGLAS RAMSEY AND JOHN WYLES

THE INCREASINGLY bitter row between the EEC and Japan over their future shares of world shipbuilding orders could intensify after an announcement by the Japanese Government yesterday that reductions in its shipbuilding output during the next two to three years would be less than expected.

The implications of this declaration are almost certain to strengthen EEC moves to prevent Japan from dominating world shipbuilding.

Various possibilities will be discussed at a meeting in Brussels on Monday.

The EEC is expected to stress the unacceptability of the Japanese position during talks on the position of the shipbuilding industry at the Organisation for Economic Co-operation and Development in Paris next month.

In Britain, the Government and the shipbuilding industry are doubtful about Japanese intentions and about the chances of reaching an agreement on market shares.

Yesterday's announcement by the Japanese Ministry of Transport hardly dispels these doubts.

It promises less than was recommended in a document written mainly by shipbuilding industry representatives and delivered to the Ministry in June.

The document acknowledged the slump in world orders and Japanese industry realises this.

Airline plan approved by Minister

By Michael Donne, Aerospace Correspondent

PROPOSALS FOR the reorganisation of British Airways submitted by Sir Frank McEvedy, BA's chairman, have been approved by Mr. Edmund Dell, Secretary of Trade.

He has also appointed Mr. Ross Stainton, chief executive of the Overseas Division of BA, as a full-time deputy chairman of the airline until May 31, 1979. Under the reorganisation plan, Mr. Stainton is to become from January 1, the new Director of Commercial Operations of BA.

The reorganisation, announced by Sir Frank last Friday, involves the abolition of the existing overseas, European, and regional divisions in British Airways, and their replacement by a new management structure including commercial operations, flight operations and other departments, covering all the airline's activities.

Airliner merger, Page 21

Hertfordshire call for airport study

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A STUDY of future airport development around London, including the possibility of a new airport, is urged by Hertfordshire County Council in a memorandum rejecting suggestions that there should be further development at Luton and Stansted airports.

The Department of Trade said in its latest consultative document on airport strategy for the London and South-Eastern area that among the options facing the planners was that of developing Luton to cope with 10m. passengers a year and Stansted to cope with 10m. and Luton now handles 3m. and Stansted less than 1m.

These are long-term options and not firm plans, but the council has been alarmed by their inclusion in the department's thinking. Much of the area affected by the airports' noise, access and employment falls in the council's jurisdiction.

The council said: "Nowhere has it been proven that facilities can be provided at less expense by the expansion of the existing London airports than by the construction of a new airport."

"No attempt has been made to prove whether less disturbance is caused by the expansion of four London airports than by some other solution."

"No consideration has been given to the possibility of a new site on the borders of South-East and Central England which could cater for the future demand of both regions."

Studies to evaluate all the available options, including a new airport site, should be started at once.

"Once the Government has committed itself to finding and implementing the best long-term solution, environmental considerations should be placed on the growth of existing airports."

"The necessity for major growth at Stansted and Luton has not been properly justified."

Cut energy costs, urges Benn

BY RAY DAFTER, ENERGY CORRESPONDENT

ENERGY SECRETARY Mr. Anthony Wedgwood Benn, has called on companies to appoint senior managers with specific responsibility and authority for saving energy.

Through such appointments, and by direct and specific consultation with trade unions, top management could best demonstrate the importance they

attach to energy saving programmes.

When the Government launched its "Save It" campaign two years ago, Britain's oil import bill was running at about £10m. a day (£35m. a year).

It is therefore in the Government's interest to introduce energy saving measures as well as the national interest—to introduce energy saving measures.

Energy saving — II, Institute of Directors, 10, Belgrave Square, London SW1X 8PW. £1

entrepreneur. ăntr'prənör One who undertakes an enterprise; one who owns and manages a business, a person who takes the risk of profit or loss.

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(Incorporated in the Republic of South Africa)

FINAL DIVIDEND NO. 119

Notice is hereby given that dividend No. 119 of 35 cents a share (1975: 43 cents), being the final dividend for the year ended 30th September 1976, has been declared payable to shareholders registered in the books of the corporation at the close of business on 3rd December 1976, and to persons presenting coupon No. 123 detached from share warrants to bearer. This dividend, together with the interim dividend of 30 cents a share declared on 9th June 1976 makes a total of 65 cents a share for the year (1975: 75 cents). A notice regarding payment of dividends on coupon No. 122 detached from share warrants to bearer will be published in the press by the London Secretaries of the corporation on or about 26th November 1976.

The transfer registers and registers of members will be closed from 4th December to 17th December 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 28th December 1976. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent of 21st December 1976 of the rand value of their dividends, (less appropriate taxes). Any such shareholders may however elect to be paid in South African currency, provided that the request is received at the offices of the corporation's transfer secretaries in Johannesburg or in the United Kingdom on or before 3rd December 1976.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

Subject to final audit, the abridged consolidated income statement of the corporation and its subsidiaries for the year ended 30th September 1976 and the abridged consolidated balance sheet at that date, are as follows:-

CONSOLIDATED INCOME STATEMENT

	1976 R000's	1975 R000's
Investment income	53 273	57 870
Net operating income:		
Finance	396	297
Property, interest and other sources	2 936	2 559
	4 332	3 156
Surplus on realisation of general investments	348	510
	57 953	61 336
Deduct:		
Interest paid and administration and other expenses	8 554	10 344
Costs of prospecting	3 458	3 383
Provision against loans	343	635
Provision against and amounts written off general investments	3 303	1 219
	18 858	15 781
Provision for taxation and deferred taxation	39 095	45 555
	319	49
Surplus attributable to life insurance, after providing for taxation and transfers to contingency reserves	36 776	45 506
	1 642	4 104
Profit after taxation	40 418	49 610
Deduct: Minority interests	410	1 121
	40 008	48 489
Net loss (profit) arising from currency fluctuations	267	(335)
Deduct: Transfer from (to) currency reserve	267	(335)
	40 008	48 489
Deduct: Preference dividends Nos. 2 to 5 (note 2)	2 381	388
Group equity earnings, before extraordinary item, attributable to Rand Selection Corporation Limited (note 1)	37 627	48 101
Deduct: Ordinary dividends		
No. 118 of 30 cents per share	12 675	14 368
No. 119 of 35 cents per share	14 788	18 168
Total ordinary dividends of 65 cents per share (1975: 75 cents per share)	27 463	31 536
Retained profit before extraordinary item	10 164	16 565
Deduct: Extraordinary item—provision against investment in Zaire (note 3)	10 000	—
Retained profit after extraordinary item	164	16 565
Add: Unappropriated profit—30th September 1975	13 658	9 359
Adjustment thereto arising from currency fluctuations	256	602
	14 114	9 961
Deduct: Transfers to reserves	14 278	28 506
	1 573	12 648
Unappropriated profit—30th September 1976	12 705	13 658

Group equity earnings attributable to ordinary shareholders were adversely affected by reductions in gold mining dividends. Earnings were also affected by substantial increases in prospecting expenditure and provision against loans and investments. Moreover, in view of the prevailing difficult financial conditions it was decided to retain in the life assurance companies, a greater proportion of attributable surpluses for the financing of new business. This has resulted in a more conservative determination of dividends from the life assurance operations for the year.

NOTES:

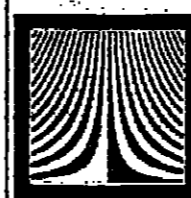
- The figures for the year ended 30th September 1976 are not comparable with those for 1975 for the reason that the profits from South African Townships Mining and Finance Corporation Limited (S.A.T.) were wholly attributable to Rand Selection for the year ended 30th September 1976. As the minority interest in S.A.T. was acquired effective from 1st April 1975, the previous financial year's results included a full contribution from S.A.T. for a period of six months only (see note 4).
- Preference share dividends
During the financial year the rates of dividends paid on the 30 000 000 cumulative redeemable preference shares of R1 each were as follows:
7.25 per cent per annum for the period 1st October to 31st December 1975
8 per cent per annum for the period 1st January to 30th September 1976.
- Extraordinary item—Provision against investment in Zaire
As announced in the Press on 23rd January 1976, the directors of Societe Miniere De Tenke-Fungurume (S.M.T.F.) advised that work at the S.M.T.F. project had been suspended. The decision to suspend was taken principally in the light of the disturbed political conditions in Central Africa, and the resulting economic situation in Zaire. These factors together with low copper prices precluded the completion of satisfactory financing arrangements. Your directors have therefore considered it prudent to make a provision of R10 million for part of the investment in S.M.T.F. as an extraordinary item in the income statement. S.M.T.F. is currently considering the technical feasibility and methods of financing a project smaller than the previous 130 000 tonnes per annum scheme but it will be some time before definite conclusions can be reached.
- Ordinary share capital
During the financial year the Corporation issued ordinary share capital increased by R238 000 by the issue of 473 973 ordinary shares of 50 cents, at a premium of R10.40, to the former holders of 339 968 shares in South African Townships Mining and Finance Corporation Limited which became a wholly-owned subsidiary of Rand Selection with retrospective effect from 1st April 1975.
- Investments
Investments held by the life insurance subsidiaries have been valued according to the practice of life insurance companies.
- Schlesinger European Investments Limited (S.E.I.)
As announced in the Press on 6th February 1976 by Anglo American Corporation of South Africa Limited (Anglo American), Rand Selection Corporation Limited (Rand Selection), John S. Schlesinger and associate (Schlesinger) and Sorec Limited (Sorec), an overall arrangement was concluded whereby Schlesinger acquired the entire minority holding of the Rand Selection group in S.E.I. and Trident Life Assurance (Trident) and of Sorec in London Consolidated Properties Limited. Rand Selection was released from all liabilities and obligations undertaken in relation to the S.E.I. group. As a part of these overall arrangements, Anglo American and associates acquired the entire holding of Schlesinger in Rand Selection and Rand Selection in turn, received from Anglo American and associates various investments with an equivalent value to Rand Selection's minority holdings in S.E.I. and Trident, after taking into account the release of the Corporation from its liabilities and obligations undertaken in relation to the S.E.I. group.
- Sorec Limited
Following upon the disposal of the Rand Selection group's interest in S.E.I., Sorec Limited initially became a subsidiary of the Corporation and subsequently of African Eagle Property Holdings Limited which, in turn, is a wholly-owned subsidiary of African Eagle Life Assurance Society Limited.

By order of the Board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
D. B. Pollard

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent TN24 8EQ.

18th November, 1976.



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHUETERS

NAVIGATION

Small boats kept on course

AUTOPILOT equipment for the smaller craft such as pleasure boats, fishing vessels, and work boats of all types is a new departure for the Decca Navigator Company.

A single plug-in board reduces maintenance problems to virtually nil. But accuracy and efficiency have not been sacrificed and the company has used the newest semi-conductor technology to build a compact analogue computer. This takes signals from compass and rudder transducer and turns them into rudder angle commands.

Accurate course is kept in any sea with minimal rudder movement.

Heading reference is provided from the Mk. III transmuting compass made by the company. A standard or steering compass of the highest reliability meets ISO R449 and DTT 516 specifications.

Addition of hydraulic or mechanical interfaces to the autopilot control unit and compass means that a matched system can be installed with practically any type of steering gear. This gives the small vessel the option of using this autopilot through a mechanical drive unit directly coupled to the wheel.

Where vessels have flying bridges, it is possible to install a non-follow-up tiller (dodger) which will override the autopilot as necessary. On release, control reverts to the latter and the vessel to its former heading.

There are a number of additions which can be specified by users, including power steering with an optional hydraulic pump, various versions of Decca Pilot, and there is a choice between two output torques. Decca on 01-735 8111.

COMPUTING

Powerful Keycheck terminal

TO BE introduced by Radifon Computers at Compec 76 is the Mark 5 terminal for the company's Keycheck processor-controlled key to disc system.

Powered by the Radifon R2000A computer, the terminal has a large VDU able to display 768 characters and a full type writer-style keyboard. Controls available to the operator include error control tone, screen brightness and on/off.

Radifon's research has shown that operators appreciate the flexibility of a keyboard that can be separated from the display unit. In particular it allows operators to place keying documents in front of them, precluding the spinal twist normally encountered. More from Kevin Way, Crawley, Sussex (0293 81211).

European centre for Gould

INCREASED penetration of a European computer group market is planned by Gould, instruments and Electronic Europe and accordingly the company has established Gould Advanced at Bishop's Cleeve, the marketing centre on 55155.

The company will be responsible for supporting other centres in Germany, France and Austria as well as existing chain of distributors. A major part of the reorganisation at Bishop's Cleeve is an expansion of the sales department to be able to respond delivery times on parts and on contract and "on-call" services.

HANDLING

Squeezing the foam

THE STRICK Squeezer, from the U.S., is a development of a 40-foot aluminium truck trailer or container body for compacting flexible foam blocks or other similar compressible materials.

Using a number of independent bulkhead panels, the material is compressed into a third of its original volume, thus tripling the payload of the vehicle.

The bulkheads are drawn forward into the van by electrically driven pulleys, and then locked to the side walls. Further material is added until the van body is full.

The equipment will be leased throughout Europe by Transrent International, a subsidiary of Amari, 1 New Bond Street, London W1 (01-493 9371).

SERVICES

Schroder scores a first

SCHRODER Computer Services, at present based in London, will be installing a 370/148 in new office premises at the Colston Centre, Bristol when they move early in 1977. This machine will replace the 360/50 and 360/40 now installed in London.

Initially a 370/148 will be used to provide services from March 1977 until the 370/148 (1 megabyte version) is delivered later in the year. Both machines will be run under VM/370 making Schroders the first bureau to offer client services on the latest hardware and software from IBM.

The new central processor will be served by peripherals supplied by both IBM and the Telex Corporation. These will provide 1350 megabytes of on-line disc storage and a range of tape drive units on both 7 and 9 track units.

Schroder has also placed an order for the Telex 6403 "Grand Slam" printer to add to the two IBM printers which will be installed at the new site. Grand Slam has a small character set and prints more densely than the IBM printer.

In addition to exploiting the new business opportunities available in the south west, the company will be maintaining and developing its current activities in and around London from new premises in St. Martin's Lane. This will house the consultancy, analytical, programming and data preparation staff and also the terminal equipment of the London based operations.

PROCESsing

Tensile and compression testing

FOR THE routine and production testing of materials, a universal machine, the M2501, has been introduced by Dartec. Hydraulically actuated, it is intended for automatic testing with the minimum of controls to be handled by the operator.

The control console houses an X-Y recorder, and a digital display showing load or extension retains the ultimate load at the end of the test. Standard options include automatic proof stress, and a BS 18 rate change unit. The machine can carry out fatigue test cycling.

The machine provides bumpless automatic transfer of the controlling mode, with precise rates calibrated in the test units—the operator simply sets the appropriate rate and starts the test.

There is a range of power operated grips for tensile or compression tests, of round, flat or headed specimens. The machine is available in a range with maximum loads from 100 to 1200 kN, on the largest capacity machine the specimen size can be up to 60mm thick and 150mm wide, or 75mm diameter. Usual distance between grip faces is about 750mm.

The maker is at Millrace Lane, Stourbridge, West Midlands (B694 7TJ).

Items of FEP (fluorinated ethylene propylene) lined chemical equipment delivered by the Tygature Division of Fothergill and Harvey recently include the largest ever export order for this type of processing plant as well as the most complex piece of chemical plant yet lined with FEP material. The overseas order for an orthophosphoric acid processing plant included two packed columns 11.85 m. and

7.9 m. (26 ft. and 26 ft.) high and three 1.2m. cubic metre storage vessels, as well as a number of large internal components produced from solid PTFE. The cyclone on the right is believed to be the most complex shaped component yet lined with FEP and includes a glass-filled PTFE scuff shield to prevent abrasion of the lining by the high-velocity separation of chemicals. More on 0706 78831.

TRANSPORT

Safer drive in foggy conditions

AN AUTOMATIC monitor that measures visibility on roads is being tested by the Meteorological Office for possible use on Britain's motorways.

The unit produces a "driver's eye view" of the road in conditions of fog, snow, rain and dust. Its readings are then relayed to electric traffic signs which lower or raise the speed limit to give one recommended for those conditions.

The monitor is of German design and is being marketed in Britain by Erwin Sick-Optic-Electronic of Radolf, Heris. It relies on the transmission and reflection of a beam of light beams to the response of the human eye.

Major control centres would be set up about every 110 miles along a motorway, with secondary units in between.

These give a continuing, section-by-section read-out of conditions and control of speeds. Comparable visibility systems are already in operation at airports in Britain.

MATERIALS

Stronger ceramic blanket

IMPROVED TENSILE strength—up to three times greater than previous grades—is claimed for a ceramic fibre refractory and insulating material introduced by Morganite Ceramic Fibres, Neston, Wirral, Merseyside L69 3TH (051-335 5171).

Resistance to delamination is also improved, while flexibility is not impaired, so it remains easy to handle, says the maker. Triton, Kaowool needed blanket will be offered as an alternative to standard blanket for applications requiring greater strength, durability, service, or resistance to rough handling.

It is made from aluminosilicate fibre without binder and has similar properties: low thermal conductivity with a con-

PERIPHERALS

Miniature printer

A BATTERY powered impact printer measuring 175 x 80 x 45 mm is now marketed, with or without a printer's case, by Ruxburgh Electronics, 22 Winchelsea Road, Rye, Sussex (Rye 3777).

For applications such as biomedical, measurement, control, weighing and process control, the NIP18 has a series of triple mobile printing which prints on electronic paper at up to 25 characters per line and 120 lines per page. Height is 3 mm and vertical line spacing is 5 mm.

Embossing a 7 x 4 dot per character format, the best of the full alpha numeric set, several additional symbols. The printer is able to print in any position and, since mechanism is an integral of the logic drive, installation and positioning are greatly simplified. A 400 45V 150 mA power supply is needed.

ELECTRONICS

Gets the heat away

AN OBSTACLE in the conduction of heat away from a power semiconductor by means of a heat sink is the lack of good thermal contact between housing and sink.

Even if the housing base is ground flat, the same may not be true of the sink surfaces, and so a conductive paste is often used, these are frequently made from metal oxides but, claims WK Electronics, these at best can only be described as poor heat insulators.

As a claimed improvement this company is offering Transheat, a paste made from a silicone binder and fine aluminium powder. Tests show that the product conducts heat at nearly the rate of solid aluminium and about 50 per cent faster than metal oxide pastes.

Aim is to clarify the technical and economic limits of the transmission at voltages of 1000V and one of the sub-programmes of work includes radio and television transmission and the perception of noise. Since 1969 two companies have also looked at the fundamentals of UHF, and the design and test transformers, breakers and

POWER

Assessing high volt lines

IN THE U.S. an ultra high-voltage test station built jointly by ASEA and American Electric Power has been inaugurated at South Bend, Indiana.

Aim is to clarify the technical and economic limits of the transmission at voltages of 1000V and one of the sub-programmes of work includes radio and television transmission and the perception of noise. Since 1969 two companies have also looked at the fundamentals of UHF, and the design and test transformers, breakers and

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A FINANCIAL TIMES SURVEY

EUROPE

The Financial Times Survey of Europe, scheduled for publication on December 6 1976, will make its unique annual appraisal of the EEC and Western Europe as a whole.

It will examine, fully and impartially, the many political and economic implications of new Community policies, developments and relationships.

Businessmen and political leaders throughout the 120 countries in which the Financial Times circulates daily will read and respect its observations. And, in Europe, readership will be particularly extensive because the Financial Times is read by more European businessmen than any other daily newspaper.*

By reason of this exceptional level of interest the FT Survey of Europe will provide an unparalleled opportunity to reach decision-makers the world over and to bring your product, service or organisation to their notice.

The provisional editorial content includes:

Foreign policy, Defence, Enlargement, The New Commission, Direct elections, East-West relations, Relations with the Third World, European economy, Agricultural policy, Fisheries policy and A review of European industry.

The content and publication date are subject to change at the discretion of the Editor.

Proposed publication date: December 6 1976.

Copy date: November 26 1976.

For further information about this survey and advertisement rates contact Patricia Surridge on 01-248 8000, ext. 426.

* European Businessman Readership Survey 1975 (Research Services International Ltd)

H. A. N. Brockman examines some of the recent architecture in London

Changing the face of the Metropolis

UNHAPPILY, of the many books on old and new London, most are out of reach of the ordinary but interested reader. Most either lament what has gone—and a quick glance at them does make one regret the lack of foresight which could so easily have brought new uses for some of the magnificent buildings and interiors which have disappeared. Among the most recent, Hermione Hobhouse has written a beautifully illustrated account of Lost London which will shortly be published.

Of past books on modern London there was Hugh Casson's *New Sights of London* (1938) beautifully illustrated with line drawings of some of the best work of that date, and Ian Nairn's *Nairns London*, of 1967.

Now comes a guide to Modern Buildings in London, edited with critical observations by Charles McKean and Tom Jestico, obtainable from the Royal Institute of British Architects, 66, Portland Place, W1. The virtue of this small book is twofold. First, it is published at the modest price of £1.25. It is neither a paper back nor a hard back, but in the new form of softback which gives that bit of stiffening which a paper back does not. Secondly, it does the constructive job of "choosing buildings of some interest to the layman," without claiming any particular virtue in them other than that they are considered to be typical of their kind.

It is the concentration and the brutishness which hurt. How did it start? The first I remember was about 1948 at Harlow. In planning that new town, Sir Frederick Gibberd, among other architects of the time, cast an eye on the sea of two-storey houses in such places as Dagenham and Becontree, built only a few years before the war, and decided that what was lacking was the occasional exclamation mark to relieve the monotony such as until recently had been provided by the church spire. So in addition to the benefit of good housing layout, the retention of trees and of new planting, he designed a tower block of a mere 12 storeys to provide that relief. Most successful it was, in addition to its aesthetic function, as it was not designed for families, but for single people.

As always happens in anything new in the world of design, there were many who caught on to the same idea. Unfortunately the construction industry, with its rapid development of the mass production of building components, including whole sections of the outer wall, exploited these techniques with the promise of rapid erection. The customers were not architects, but the committees of local authorities were able to brief their architects on the necessity to build both quick and high, and to use those means. The methods also appealed to the commercial world and in particular to the office developer.

With the strong reaction of the public and, it must be said, of many an architect, the pendulum has swung in the opposite direction. During the whole of this time, however, architects have been continuing their researches and their study of human needs, with a greater attention than ever to environmental amenity and the provision of comfortable and aesthetically acceptable surroundings. It might be said that there is now a bit too much dark brick and brown glass about, but this is not a bad thing in itself; will pass.

One of the important things that is not understood to-day, with the imprint of those high blocks still on the mind, is the quite astounding architectural variety to be found in the modern buildings that do not necessarily shout for notice. It is this which marks the new guide as of real interest to the reader. Such buildings are to be found everywhere, down side streets as well as in the main streets, but they cannot be seen from any distance, like the Post Office Tower, and so do not constantly remind one of their existence.

The book is arranged around some six geographical areas and deals with all categories of building. A hundred are illustrated, each one being captioned with title, address, designer, builder, and an indication of the nearest point of public transport. An end-paper map gives the numbers of relevant illustrations in their appropriate locations and there are larger scale maps in the text. The variety of design is most impressive. In the City itself, for instance, there is an astonishing example by Arup Associates, an office building in Cannon Street which achieves large uninterrupted floor areas by placing the structural members outside the glazed curtain wall. The structure provides a diamond form lattice work pattern of stainless steel tubes, filled with water to provide fire protection; a strikingly interesting and most unusual addition to the street scene.

A completely different problem came to William Whitfield and this was thoughtfully to modernise and extend the very fine headquarters building for the Chartered Accountants behind Moorgate Street originally designed by John Belcher in 1890 and later extended in the same manner. In building against Belcher's elaborate facade Whitfield frankly ignored the architectural precedent, but turned the corner with a new entry marrying old and new and perfectly interpreting the neo-classical precedent of the original against which it visited to be appreciated.

The result is worth looking at and appreciating for its versatility. Among other minor buildings of excellence in the City the West End there is a scheme by Mortimer Street Lush and Lester which takes the scale and proportion of its neighbours while being entirely from any architectural precedent. The new Lillingston Gardens, Epsom Scheme by Darbourne and Partners is a splendid example of a brickwork of the kind of high-density housing that is both attractive and pleasant to live in. One of the most outstanding contributions to London's war architectural scene is the rebuilding of Jack St. Castle, that famous old crest of Hampstead. This is a modern interpretation of an age-long vernacular building clad in white paint weather boarding with a structure comprised wholly of timber. The building has tall, Regency facades, ground floor bow windows, the main frontage, if signed by the late Reginald Erith, an architect of ability and sensitivity.

Courtyard

Then there is the small of brick and timber in Cannon Town, at Torrington Court, designed by Philip Park himself and family. The site heavily overlooked and the house is arranged around an internal courtyard which is both light and privacy. The overall impression, say editors, "is almost that of a farmhouse." The most notable feature is the grassed over roof with a duck-pool, "padding pool." The quality of these varies as must be the case with such a wide selection, but interest lies in the variety to be found in the designs. Incidentally, put off by a photograph of a reasonably cost of this book, obviously forbidden large reproductions. The graphs cannot ever give whole picture—buildings of groups of buildings must be visited to be appreciated.

Hideousness

Pendulum

Neo-classical



Bringing a gentle warmth to half the world and more

Gracious hostess in her sarong kebaya. She has a way with people. A natural smile. A gentle warmth. You'll meet her five miles high. In exclusive 747B, 707, 737 comfort. Across three continents. She'll care for you as only she knows how. Our girl. The heart of Singapore Airlines.



SINGAPORE AIRLINES
A great way to fly

LABOUR NEWS

Pay talks failure may delay TSB plan

By Our Labour Staff

LANS by the Trustee Savings Bank for a new personal lending service to customers from today are almost certain to be delayed after the failure of talks yesterday between the National Union of Bank Employees and the Department of Employment.

Mr. Harold Walker, Minister of State at the Department of Employment, told *NUTS* officials yesterday that the plan for extra payment for staff responsible for administering the new loan scheme was to high.

Mr. Bill Witeman, the union's national officer for the TSB, said after the meeting that the minister had apparently rejected the union's case that the responsibility was laid, but refused to give any criteria as to how much extra would be allowable under a pay policy.

After the meeting with Mr. Walker, the union's TSB committee passed a resolution stating that no TSB loan services would be operated on November 22 unless a satisfactory agreement could be worked out.

The union had negotiated increases of about £700 for out 1,650 TSB managers because of the extra work involved but the Department refused to give the settlement.

Mr. Witeman said last night that he would be available for talks with either the TSB or the Department before today's deadline, but he was optimistic that an agreement could be reached in time.

Government approves £20 rise for Massey workers

BY DAVID CHURCHILL, LABOUR STAFF

PAY RISES of up to £20 a week for nearly 2,000 white-collar workers at Massey-Ferguson have been given the go ahead by the Department of Employment in spite of pay policy restrictions.

The increases are due after a job evaluation exercise which, because it was agreed in principle before the pay policy started in August last year, can now be implemented in full says the Department.

The rises will be incorporated into the employee's next annual salary review in April, but will in effect be backdated to August, 1975, when the agreement was made initially.

The job evaluation scheme, which covers employees in the Midlands, Manchester, and the company's Peterborough factory, more than 700 employees will get salary increases of up to £1,000 a year.

At other plants, about 500 workers will get increases of more than £275 a year while over 100 will receive rises of £200.

Shop stewards representing

about 18,000 workers from all Massey-Ferguson plants are to meet in Coventry next week to discuss their annual pay claim, due to be implemented from next April.

Workers at the company's Manchester factories have already decided that their shop stewards at the meeting should press for a four-month agreement from next April to be revised in August if the present pay policy is relaxed to allow for free collective bargaining.

The Manchester stewards claim that colleagues at the other Massey-Ferguson plants are likely to consider the proposal seriously because they are "fed up" with the limitations imposed by the present pay policy.

Disputes halt supplies from two brewers

BEER SUPPLIES from Allied Breweries' Burton-on-Trent brewery and Bass Charrington's distribution depot at Bury have been halted by industrial disputes.

Some Allied group publicans are warning their customers of a possible dry Christmas. About 80 Bass Charrington public houses in the Greater Manchester and Merseyside areas have been closed with 450 bar staff made idle.

Rolls men to stay out

BY OUR LABOUR STAFF

A MASS meeting of strikers at the Rolls-Royce engine plant at Blantyre, Scotland, decided yesterday to continue their 18-week strike and sign protest against the company's plans to shut the plant and move the workers to nearby factories.

The strikers agreed to seek further talks with the management to negotiate improved terms for transfer of the workers.

Under the Rolls-Royce offer, employees would get a travel and disturbance allowance as well as all removal expenses paid.

The strikers are believed to

have passed a resolution initially agreeing to a return to work pending further talks. But this was later amended to seek talks while the strike continued.

The company said last night that it was willing to talk to union representatives about the terms and conditions of its transfer plans for individual workers if such a request was made.

Hazard lights at Fords

FORD MOTORS is at considerable pains to emphasise that it is not looking for a confrontation with the workers at Halewood on Merseyside.

But that is certainly the view of Mr. Eric Cooper, convenor in the troubled body plant where 4,500 workers walked out in support of 18 colleagues subjected to disciplinary action.

Fords has never been an easy company to get on with. But on Monday this week management came in with the mailed fist, he said.

With many of his workmates, Mr. Cooper believes that instructions have come from Detroit to get tough with Liverpool.

On Monday a ban was placed on overtime. Foremen and supervisors called together each section of workers to tell them that failure to raise output would endanger the long-term prospects of the plant.

Each worker was told what his job involved and warned that "unacceptable practices" such as job shuffling — should cease. Supervisory staff were instructed not to be deterred from taking disciplinary procedures by the possibility of strike action.

Low productivity is at the centre of this latest dispute to hit the Halewood complex, which employs nearly 12,000 Ford lays most of the blame for the poor performance with the work force while the unions complain of inefficient management and deteriorating machinery.

Production lines are manned by turn out 70 of the successful Ford Escort models an hour, according to management. Allowance for breakdowns, 83 is regarded as "reasonable" in reality output is averaging only 45 to 47 an hour.

Consensus of lagging production levels. Ford introduced a communication programme in September with the aim of motivating the work force.

The management believes that low morale in the motor industry, and particularly on Merseyside with its high unemployment, might be encouraging workers to spread out work in the hope of avoiding redundancies.

Accordingly, at meetings with

Last month the first newsletter dispatched to the homes of employees called for improved performance. The November bulletin said that the situation was becoming serious and that overtime would have to be introduced unless normal working improved.

Last week two disputes over manning and discipline resulted in strikes costing 2,000 lost cars. The management responded with

kers with a set task to rush ahead and then take a rest. Such activities lead to rushed work, inefficiency and the quality of the job suffers with the result that rectification has to be carried out at the next stage of production—a process that can cause bottlenecks and hold-ups.

The company says that it is not possible to quantify how widespread the practices are, but maintains that only a small minority of such workers can disrupt production.

The unions have cooperated in trying to identify areas where the problem existed and to help overcome it but its prevalence remained "unacceptable".

For the unions, Mr. Cooper insists that the problem of work sharing has already been eradicated. "It's no use sinking out the work force when there are at least 20 reasons for low productivity."

News analysis: Troubled Halewood

BY ARTHUR SMITH

shop stewards and in dealings with the work force, assurances were given about the future of the Escort and the importance of increasing market share.

In January the first of a half yearly series of meetings were held in which workers were given a slide show presentation of performance and the "Target 76" programme was launched.

The policy appeared to be working with output improving through October into January and February of this year. Progress was checked in March by a series of disputes but output recovered until June when further troubles erupted.

Productivity deteriorated in July and in the eight weeks since workers returned from their August holidays output has slumped to the levels of last year.

a strong letter at the week-end saying overtime was cancelled. Indeed the management maintained that, even with overtime and an additional 300 workers recruited in recent weeks, production has hardly budged from 800 a day compared with the target 1,000.

The decision to move production of the Capri to Germany last month on a temporary basis to allow Halewood to concentrate on the Escort has made little difference to output.

The area where the management has expressed its intention to crack down is on "unacceptable practices". The company maintains that a team of say eight men on an operation will divide their work so that four of them can be resting at any one time.

Another practice is for work

He blames worn machinery and equipment, citing in particular the low quality of panels from the press shop. But he reserves his strongest criticism for the inefficiency of the management.

Ford firmly rejects charges that its decision to make a stand at Halewood has anything to do with recent experience at the Dagenham plant, or the neatness of Christmas.

Ford says that at Halewood, after more than 12 months of reasoning and persuasion, the plant has been reached when it must take stronger action.

Suspensions on the disciplined men run out today and much of the work force will be clocking in again. The following days will be crucial in determining whether Halewood can avert strike and raise output.

Car components workers to review pay strike

BY OUR LABOUR CORRESPONDENT

IF STEWARDS representing maintenance engineers at Leyland's engine plant at Blantyre, Scotland, meet today to review their three-day-old national pay strike which threatens all production throughout the motor industry.

British Leyland, Chrysler and other car manufacturers for plant's wheel, petrol tanks, test frames and suspension parts. They face serious disruption as stocks of these run out.

he strikers' union, the Amalgamated Union of Engineering Workers, is urging them to join because their demand for a 10 per cent increase in the Government's £2.50 a week pay policy.

British Leyland, the largest therefore, most vulnerable

of the plant's customers has suffered a disruption which is threatening its production of Leyland's Land Rover is already at a standstill due to a fortnight-old strike by 20 cylinder head machinists at its Acacia Green works in Birmingham who are refusing to work with time study engineers.

Further problems arose at Leyland's Cowley, Oxford, assembly plant yesterday when engine tuners banned overtime in protest at a management decision to draft into their department men considered by the tuners to be not sufficiently skilled.

The ban is expected to delay clearance of the large stocks of unfinished cars which are awaiting rectification.

Union rebel keeps job on religious grounds

CAR WORKER, threatened dismissal for refusing to join a union, won a fight to keep his job yesterday.

An industrial tribunal barred hall Motors from dismissing Mr. John Cotter and his £80-a-week job.

Cotter, 42, who has worked at Vauxhall's plant in Luton for eight years, refused to join a union on religious grounds, even though Vauxhall has a closed shop agreement.

His religion also bars him from smoking, cinema, radio and television.

Cotter was a member of the Amalgamated Union of Engineering Workers for 10 years but left when he joined Ecclesia of Christ, which has 250 members throughout England.

Grant made for study of manpower problems

INSTITUTE of Manpower has been awarded a grant jointly by Mr. Booth the Employment Secretary, and the Manpower Commission, to enable it to interpret manpower problems and help the Government to develop relevant action.

The institute is required to provide a regular independent commentary on issues affecting manpower policy. The grant is to help it to widen its contacts with companies and other interested bodies.

The commentary will report on the impact of Government policy on the effect of the labour market on companies' employment policies and practices; ways by which the effectiveness of companies' use of manpower could be improved; and the impact on groups of individuals or trends in employment.

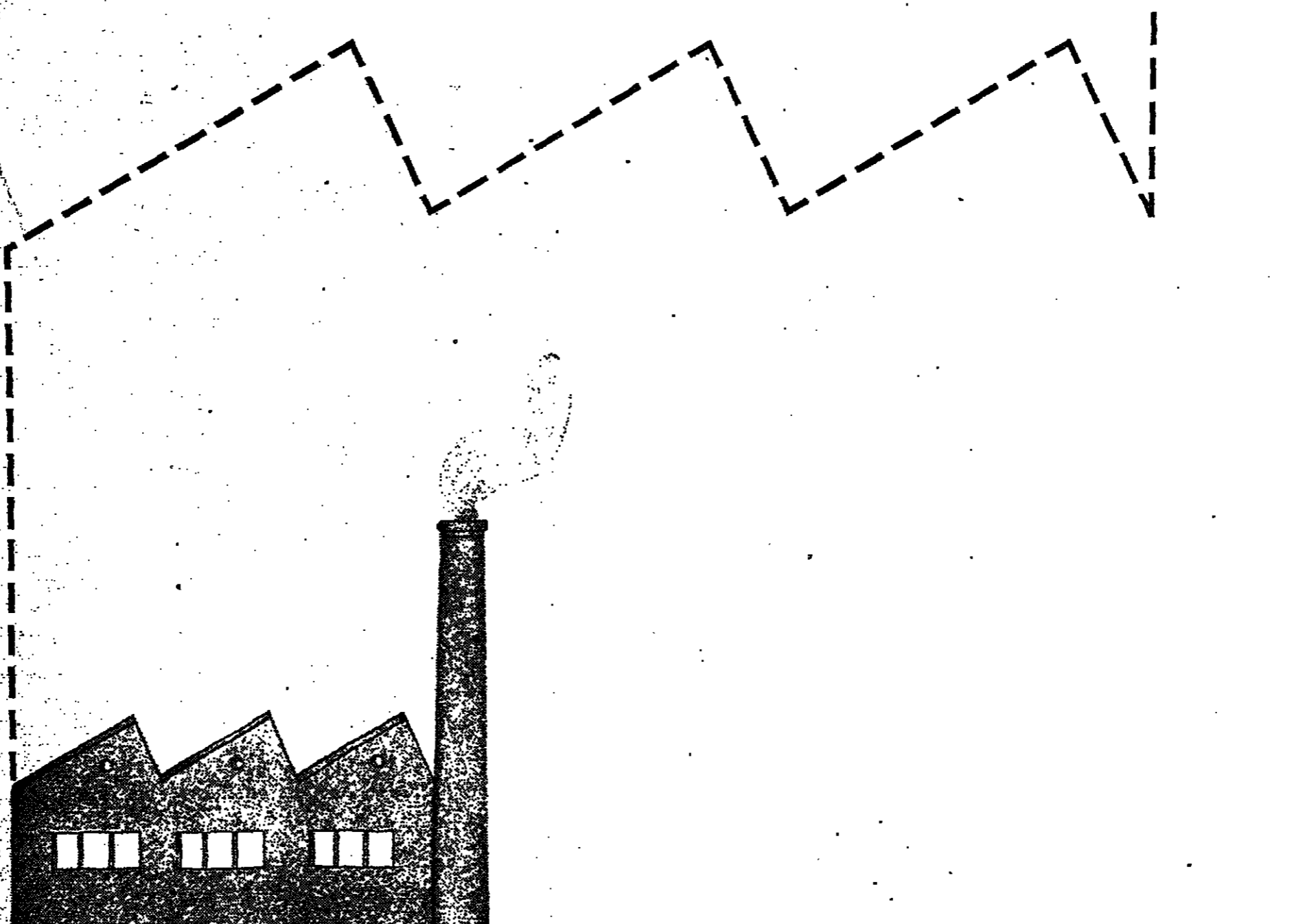
JOHNES LIFE STYLE KIT



Humps in road to slow cars

SCOTLAND'S FIRST "sleeping policemen" are to go on duty in Glasgow. The Transport and Road Research Laboratory announced yesterday that it planned to carry out a one-year trial in Bannan Road, which has a history of accidents.

Humps will be spaced at intervals of between 50 and 150 yards, spanning the road to control traffic speed.



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The Property Market

BY QUENTIN GUIRDHAM

Deficit certain on Tour Astro

THE predicament of Grasshopper Property Unit Trust over the Tour Astro office development in Brussels is one of the more spectacular examples of how the market and sterling turned against British projects. While Grasshopper's liability appears to be limited to £10.5m, this has to be balanced against total U.K. assets of £22.7m (the Tour Astro is the only foreign holding) and a minimal liquidity level. Hence the call from the fund's trustees, Barclays Bank Trust Company, to the 120 pension funds and charities who hold units to an extraordinary general meeting on Tuesday week to ask for permission to amend the trust deeds to allow a year's moratorium on redemptions. With a three-month notice period for selling, this would keep unit holders locked in till March 1978.

Since there has been no run on the fund in the last year even when the Tour Astro problem was known about, the fund will presumably go along with the scheme. They have had little joy from Grasshopper, with even those who have held units for seven years showing no profit with the last year producing the worst performance of any of the exempt property unit trusts.

The site for the Tour Astro, close to Abbey Life's Tour Modou in the Avenue des Arts, was bought in 1972 and the 100 per cent. funding arranged locally on a genuine long-term fixed interest basis. Barclays Bank Ltd. guaranteed the borrowings, and

Grasshopper provided a counter-indemnity to a maximum of £10.5m. London and Overseas Investments had a "free" 38 per cent. equity interest for providing the property expertise, and no liabilities.

So far, Barclays Bank Trust has that two floors of the 30-floor, 35,000 sq. ft. tower are agreed on, with hopes that the tenant will sign a lease in the next fortnight. The building was completed in August and has certainly attracted plenty of interest, though how fast this might be translated into further lettings is doubtful in the over-supplied Brussels market. But given the quality of the space, and the break clauses in Belgium leases, there is talk of some tenants moving out of the older tower blocks and into the Tour Astro. Barclays Bank Trust say they feel there are two distinct markets: from commercial tenants for the top floors (where the first letting is), and from large space users in the form of government or quasi-government bodies on the cheaper space below.

But Barclays admit that even fully let at present rental levels they show a shortfall with costs having escalated to £25m. With the forced sale of Town and Commercial, 29,000 sq. metre block in Avenue Louise imminent, the cost of some of the larger British schemes in Brussels is becoming ominously clear.

CIS accepts break clause

Monsanto's leasing of Telford House, Tottisham Street, London, S.W.1, has been a protracted affair, and now that details are

announced, the rental terms agreed many months back, possibly look cheap. There is no much evidence that M.L.B. and the other storms of the local economy are yet halting the investment decisions of major international groups, particularly one like Monsanto, with oil which has become very much an oil company centre. Only if one excludes 8,500 square feet of basement, which is usable office space, does the rent on Telford go marginally above £9 a square foot. For the whole 63,000 square feet, the figure falls below £8. Also relevant to rent calculations is the absence of any car parking.

But the Co-operative Insurance Society must be happy enough with a covenant like Monsanto, particularly on a building where it did a funding with Amalgamated Investment and Property, which did a high-quality refurbishment. The CIS has now taken back the lease.

CIS might just have the job of testing the open-market value of the building sooner than the 21-year lease indicates, since Monsanto has a break clause in at the five-year review stage. But this letting (by Bernard Thorpe and Partners, with Henry Davis and Co. acting for Monsanto) is a further example of how the larger blocks in the centre or suburbs of West London continue to let. Thorpe's also acted for the landlords in letting 42,500 square feet at 355 Euston Road to Legal and General at £9 a square foot, and further out there are the big lettings in Sperry Rand and Kellogg Corporation.

This week there was also the news that Maple Macowards has shifted another floor of Maple House, Tottenham Court Road, the 16,125 square feet going to

Matthew Hall and Co. at the asking rent of £8.40 a sq. foot. Agents Matthews and Goodman appear to have established this rent for the building, since the rent is also what the Housing Corporation is paying for its three floors. There are two to go, totalling 39,400 square feet. But that still leaves the problem of the ground floor shopping space a good enough 188 foot frontage, but there is a total of 51,000 square feet behind and the thinking is to take one or two major users—plus 15,000 with showroom usage.

Ex-Lyon men back to industrial development

Lyon Group France, a subsidiary of the failed Ronald Lyon Group Holdings, has ceased trading after a period when Tony Winterton, the former Lyon finance director, has continued to manage the French business with the idea of realising the assets. But while the French company continued to trade normally after the parent went into liquidation, Winterton reports that there will be nothing of the kind of the British group, Mr. Kenneth Cork. "We just about cleared the books," he says.

Ironically, it was an empty site in central Paris, with planning permission for offices, shops and flats, which made what profits there were. The Avenue Montaigne site, purchased in 1973, was sold at a profit to a French developer for £2.7m. It was rising costs and a slow letting market on two industrial estates which produced losses. One, at Blanc Mesnil, comprising 9,800 sq. metres of completed and let warehousing and a further 8,000 sq. metres of spare land, was sold for £1.5m. The other, a completed warehouse estate at

Trappes totalling 7,800 square metres, fetched £1.2m. Winterton, while managing this bloodless retreat, has also been running his own development company, Abingdon Securities, which has done some housing schemes and is now returning to industrial development. Two other ex-Lyon men, David Potts and Stephen Sewell, have similarly been earning their keep in the winding up of Lyon, managing the completions and lettings on three estates at Tinsley, Sheffield, at Hull and at Bingley.

Potts says their company, DMP Estates, has also found non-Lyon management work on a fee and commission basis, and has now announced what is optimistically described as "the first phase of a 140m. development" at Tipton Hall, Great Yarmouth. That figure is produced on the basis of the worth of 300,000 square feet of industrial and warehouse units on 250 acres.

For the moment, what is established is a private company, Verge, which owns what was previously farm land, and has planning consent for the first 50 acres. On a design-and-build basis, Potts says rents would be about £1 a square foot for basic shells. He hopes to announce the first 14,000 square feet, pre-let and financed, shortly. Verge is also interested in selling units. Local agents are Ellingtons.

Boots takes 300,000 sq. ft.

The final phase in letting over 300,000 sq. ft. of warehousing to Boots the Chemists, in that company's own backyard near Nottingham, has been completed by developers Flaxyard. The scheme, at Sandiacre by Junction 25 of the M1, was forward funded by Property Growth Assurance. Flaxyard bought the site of the former Peter Butterworth engineering works in 1973 and demolished the existing buildings.

Though Boots has now taken all the warehouse space, it has not pre-leased any of its 100,000 sq. ft. units as it needed extra space and the buildings became available. The rents range from £100 a sq. ft. to £50. An existing office building on the estate is let to the Brewash District Council.

Anthony Lipton and Co. advised Flaxyard on the acquisition and financing and were joint letting agents with Mullins, Bracken and Co. which had acted for the vendors.

Flaxyard has also just bought five acres by Gatwick Airport totalling six acres, on which it will build 150,000 sq. ft. of warehouses in units varying from 8,000 sq. ft. to 40,000 sq. ft. The long term finance for this arranged by Lipton, is from Sun Alliance and London Assurance. Peter A. Hirsch acted for the vendor and the purchase was introduced by Donaldsons.

Frankfurt lettings

What the agents claim as central Frankfurt's biggest letting of the year, 6,500 square metres of the Selmi Tower to A. C. Neilsen, has gone through. It is still a drop in the ocean against the 370,000 square metres of offices estimated to be empty in the greater Frankfurt area, but John Morgan of Jones Lang Wootton reckons that of the 150,000 square metres of this in the central areas, nearly half is currently under negotiation. While over-supply still looks serious in a city of 5m inhabitants, the wider catchment area is over 2m, and the take-up, even in a poor year like 1975, is reckoned to approach 100,000 square metres annually.

So the prospects in West Germany's banking capital may be improving. Even so, there are plenty of anxious developers now news yet on MEPC's suburban scheme) and rather more bankers seeking tenants for properties on A1, Selmi, is a Persian who rapidly became one of Frank-



Selmi Tower, Frankfurt: the end of two years with no lettings

furt's leading developers. This building, his biggest (41,000 square metres) looked in danger of becoming a Centre Point with no more tenants signed up since the original 4,400 square metres went at completion.

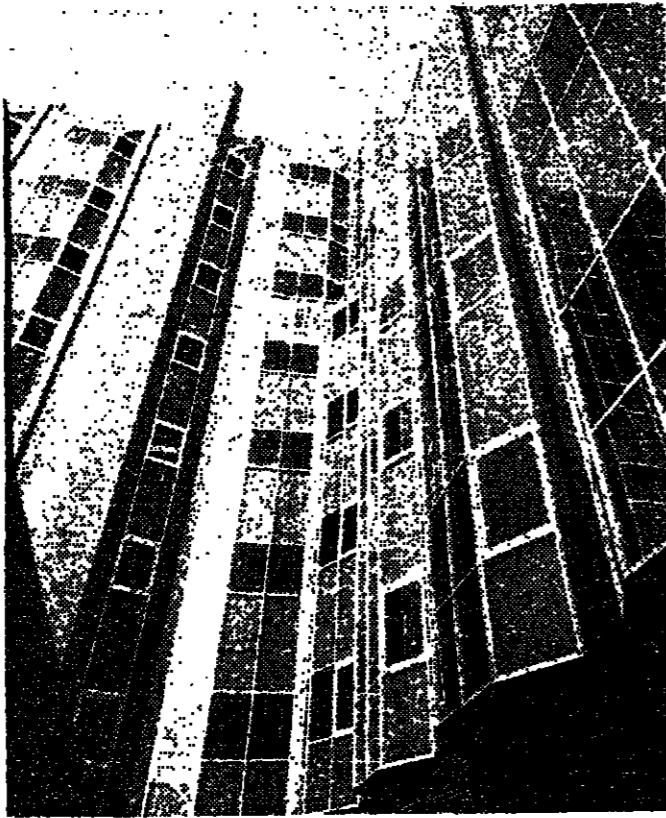
Further this J.L.W. and Industrie Immobilien Muller of Frankfurt were appointed agents. Morgan says that the market research consultants Nielsen, who have taken six floors, should be followed soon by another floor to an American bank and reckons the whole building will be let by mid-1977. Asking rental, DM22.50 per square metre, morph and Nielsen is apparently paying fairly close to this.

INDUSTRIAL AND BUSINESS PROPERTY

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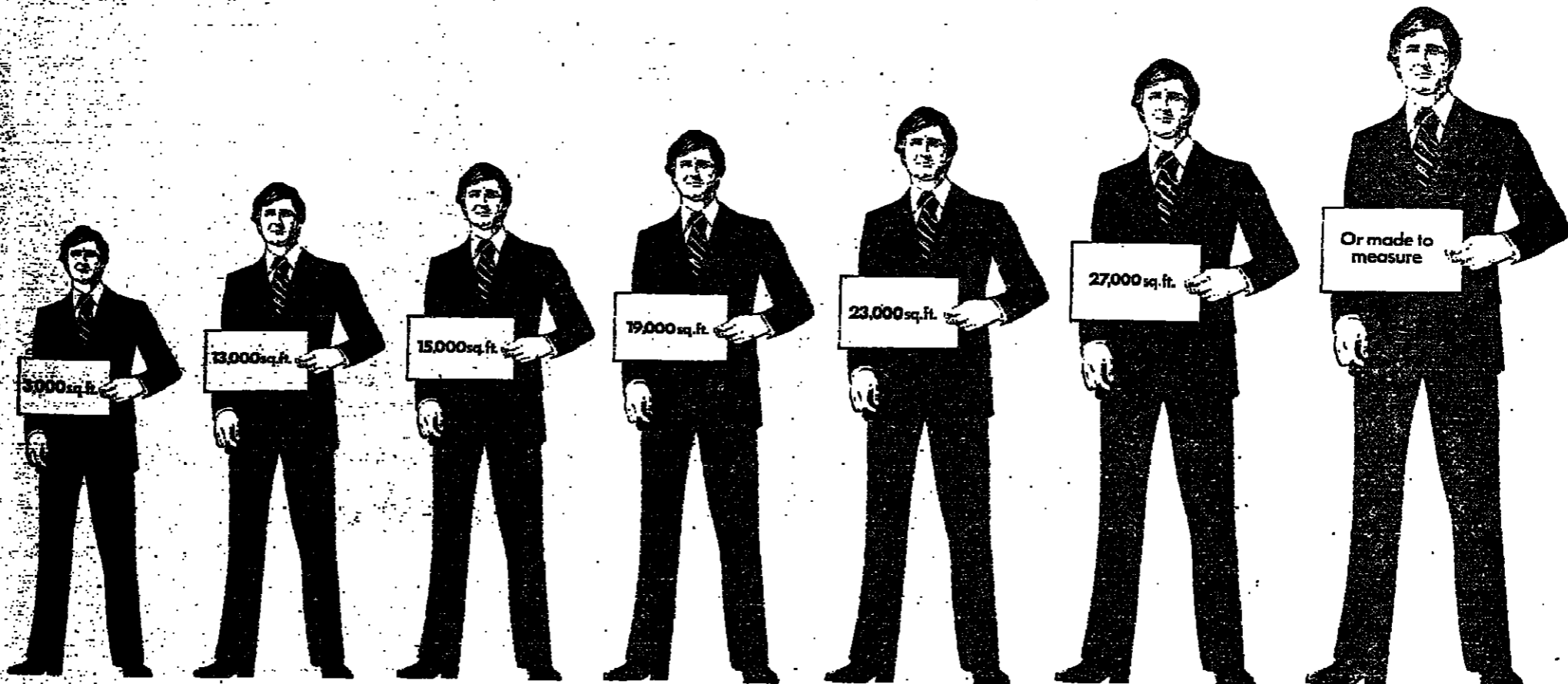
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TO-DAY ON PAGE 33

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EXCEPTIONAL PUBLIC SALE

PRESTIGE BLOCK OF DISTINGUISHED OFFICES AND
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7 FLOORS OF OUTBUILDINGS AND
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section G no. 180 h 3 and 180 x 3.

On Thursday 28th November 1978, at 9 a.m. in room III of
the Maison des Notaires, 30-32 rue de la Montagne, Brussels,
Maitre Jean-Marie Varneste, resident notary at Exelles, will
proceed with the sale by public auction as a whole or in
lots of the following properties:

GROUND FLOOR
Lot 1 Showroom, 210.29m²
Lot 2 Showroom, 654.22m²
Lot 3 Showroom, 508.20m²
Lot 4 Showroom, 215.09m²
Lot 5 Showroom, 356.36m²
Lot 6 Showroom, 1,152.77m²
Total area: ground floor: 3,230m²

1st FLOOR
Lot 7 suite of offices, 340.28m²
Lot 8 suite of offices, 293.57m²
Lot 9 suite of offices, 271.79m²
Lot 10 suite of offices, 165.76m²
Lot 11 suite of offices, 247.80m²
Lot 12 suite of offices, 165.76m²
Lot 13 suite of offices, 157.15m²
Lot 14 suite of offices, 224.07m²
Total area: 1st floor: 2,132m²

2nd FLOOR
Lot 15 suite of offices, 584.53m²
Lot 16 suite of offices, 293.57m²
Lot 17 suite of offices, 293.57m²
Lot 18 suite of offices, 396.48m²
Total area: 2nd floor: 1,798m²

3rd FLOOR
Lot 19 suite of offices, 584.53m²
Lot 20 suite of offices, 293.57m²
Lot 21 suite of offices, 293.57m²
Lot 22 suite of offices, 396.48m²
Total area: 3rd floor: 1,798m²

4th FLOOR
Lot 23 suite of offices, 584.53m²
Lot 24 suite of offices, 293.57m²
Lot 25 suite of offices, 293.57m²
Lot 26 suite of offices, 396.48m²
Total area: 4th floor: 1,798m²

5th FLOOR
Lot 27 suite of offices, 584.53m²
Lot 28 suite of offices, 293.57m²
Lot 29 suite of offices, 293.57m²
Lot 30 suite of offices, 396.48m²
Total area: 5th floor: 1,798m²

6th FLOOR
Lot 31 suite of offices, 584.53m²
Lot 32 suite of offices, 293.57m²
Lot 33 suite of offices, 293.57m²
Lot 34 suite of offices, 396.48m²
Total area: 6th floor: 1,798m²

7th FLOOR
Lot 35 suite of offices, 584.53m²
Lot 36 suite of offices, 293.57m²
Lot 37 suite of offices, 293.57m²
Lot 38 suite of offices, 396.48m²
Total area: 7th floor: 1,798m²

8th FLOOR
Lot 39 suite of offices, 283.57m²
Lot 40 suite of offices, 293.57m²
Lot 41 suite of offices, 293.57m²
Lot 42 suite of offices, 283.57m²
Total area: 8th floor: 1,120m²

9th FLOOR
Lot 43 suite of offices, 283.57m²
Lot 44 suite of offices, 293.57m²
Lot 45 suite of offices, 293.57m²
Lot 46 suite of offices, 283.57m²
Total area: 9th floor: 1,120m²

10th FLOOR
Lot 47 suite of offices, 283.57m²
Lot 48 suite of offices, 293.57m²
Lot 49 suite of offices, 293.57m²
Lot 50 suite of offices, 283.57m²
Total area: 10th floor: 1,120m²

11th FLOOR
Lot 51 suite of offices, 283.57m²
Lot 52 suite of offices, 293.57m²
Lot 53 suite of offices, 293.57m²
Lot 54 suite of offices, 283.57m²
Total area: 11th floor: 1,120m²

12th FLOOR
Lot 55 suite of offices, 283.57m²
Lot 56 suite of offices, 293.57m²
Lot 57 suite of offices, 293.57m²
Lot 58 suite of offices, 283.57m²
Total area: 12th floor: 1,120m²

13th FLOOR
Lot 59 4 parking spaces nos. 1 to 4
Lot 60 13 parking spaces nos. 5 to 17
Lot 61 10 parking spaces nos. 18 to 27
Lot 62 4 parking spaces nos. 28 to 31
Lot 63 7 parking spaces nos. 32 to 38
Lot 64 23 parking spaces nos. 39 to 61
Lot 65 7 parking spaces nos. 62 to 68
Lot 66 3 parking spaces nos. 69 to 73
Lot 67 8 parking spaces nos. 74 to 79
Lot 68 3 parking spaces nos. 80 to 82
Lot 69 5 parking spaces nos. 83 to 87
Lot 70 3 parking spaces nos. 88 to 90
Lot 71 3 parking spaces nos. 91 to 93
Lot 72 4 parking spaces nos. 94 to 97
Lot 73 (partly)

2 parking spaces nos. 98 to 99. Total area: 1st basement:
1,163m². 99 parking spaces.

2nd BASEMENT
Lot 73 (partly)
9 parking spaces nos. 100 to 108
Lot 74 6 parking spaces nos. 109 to 114
Lot 75 6 parking spaces nos. 115 to 120
Lot 76 8 parking spaces nos. 121 to 128
Lot 77 11 parking spaces nos. 129 to 139
Lot 78 6 parking spaces nos. 140 to 145
Lot 79 4 parking spaces nos. 146 to 151
Lot 80 8 parking spaces nos. 152 to 159
Lot 81 31 parking spaces nos. 160 to 170
Lot 82 6 parking spaces nos. 171 to 176
Lot 83 6 parking spaces nos. 177 to 182
Lot 84 8 parking spaces nos. 183 to 190
Lot 85 11 parking spaces nos. 191 to 201
Lot 86 6 parking spaces nos. 202 to 207
Lot 87 6 parking spaces nos. 208 to 213
Lot 88 8 parking spaces nos. 214 to 221
Lot 89 11 parking spaces nos. 222 to 232
Lot 90 6 parking spaces nos. 233 to 238
Lot 91 6 parking spaces nos. 239 to 244
Lot 92 (partly)

5 parking spaces nos. 245 to 249. Total area: 2nd basement:
1,750m². 148 parking spaces.

3rd BASEMENT
Lot 92 (partly)
2 parking spaces nos. 250 to 251
Lot 93 8 parking spaces nos. 252 to 259
Lot 94 4 parking spaces nos. 260 to 265
Lot 95 6 parking spaces nos. 266 to 271
Lot 96 6 parking spaces nos. 272 to 277
Lot 97 5 parking spaces nos. 278 to 283
Lot 98 4 parking spaces nos. 284 to 289
Lot 99 6 parking spaces nos. 290 to 295
Lot 100 6 parking spaces nos. 296 to 301
Lot 101 6 parking spaces nos. 302 to 307
Lot 102 6 parking spaces nos. 308 to 313
Lot 103 6 parking spaces nos. 314 to 319
Lot 104 6 parking spaces nos. 320 to 325
Lot 105 6 parking spaces nos. 326 to 331
Lot 106 6 parking spaces nos. 332 to 337
Lot 107 6 parking spaces nos. 338 to 343
Lot 108 6 parking spaces nos. 344 to 349
Lot 109 6 parking spaces nos. 350 to 355
Lot 110 6 parking spaces nos. 356 to 361
Lot 111 6 parking spaces nos. 362 to 367
Lot 112 6 parking spaces nos. 368 to 373
Lot 113 6 parking spaces nos. 374 to 379
Lot 114 6 parking spaces nos. 380 to 385
Lot 115 6 parking spaces nos. 386 to 391
Lot 116 6 parking spaces nos. 392 to 397

Total area: 3rd basement: 1,775m². 150 parking spaces.

1st BASEMENT
Lot 59 4 parking spaces nos. 1 to 4
Lot 60 13 parking spaces nos. 5 to 17
Lot 61 10 parking spaces nos. 18 to 27
Lot 62 4 parking spaces nos. 28 to 31
Lot 63 7 parking spaces nos. 32 to 38
Lot 64 23 parking spaces nos. 39 to 61
Lot 65 7 parking spaces nos. 62 to 68
Lot 66 3 parking spaces nos. 69 to 73
Lot 67 8 parking spaces nos. 74 to 79
Lot 68 3 parking spaces nos. 80 to 82
Lot 69 5 parking spaces nos. 83 to 87
Lot 70 3 parking spaces nos. 88 to 90
Lot 71 3 parking spaces nos. 91 to 93
Lot 72 4 parking spaces nos. 94 to 97
Lot 73 (partly)

2 parking spaces nos. 98 to 99. Total area: 1st basement:
1,163m². 99 parking spaces.

2nd BASEMENT
Lot 73 (partly)
9 parking spaces nos. 100 to 108
Lot 74 6 parking spaces nos. 109 to 114
Lot 75 6 parking spaces nos. 115 to 120
Lot 76 8 parking spaces nos. 121 to 128
Lot 77 11 parking spaces nos. 129 to 139
Lot 78 6 parking spaces nos. 140 to 145
Lot 79 4 parking spaces nos. 146 to 151
Lot 80 8 parking spaces nos. 152 to 159
Lot 81 31 parking spaces nos. 160 to 170
Lot 82 6 parking spaces nos. 171 to 176
Lot 83 6 parking spaces nos. 177 to 182
Lot 84 8 parking spaces nos. 183 to 190
Lot 85 11 parking spaces nos. 191 to 201
Lot 86 6 parking spaces nos. 202 to 207
Lot 87 6 parking spaces nos. 208 to 213
Lot 88

The Management Page

EDITED BY JOHN ELLIOTT

Michael Donne explains how a new structure planned for British Airways denotes significant change in the corporation's management philosophy

Blueprint for a single airline

THE REORGANISATION now new across-the-board Commercial Operations, Flight Operations, more "factories" than any Planning, Engineering, and development in U.K. civil aviation since the formal establishment of British Airways Board in 1972, and it reflects a significant change in the airline's management philosophy. The aim is to expedite the merger of the former BOAC and BEA, begun at that time but which has shown signs of becoming bogged down in recent years. The retention of a divisional structure virtually perpetuating the shapes of the former constituent airlines.

The structure comprises the Overseas Division (BOAC) and European Division (BEA), both of which are profitable. Sir Frank McFadzean, the chairman, also now becomes full-time managing director, says there are prospects of a "really healthy operating surplus" this year. But there have been signs that this divisional structure was becoming too rigid, leading to a restriction of BA's ability to meet rapidly changing conditions in world civil aviation.

Demanding

Sir Frank's *raison d'être* for changes now planned and approved by the Government is that "all round the world, the signs are that the commercial environment in which BA operates is becoming more competitive, less protective, more demanding of efficiency. As it has financial and policy changes, BA must change with the changes will be painful, abolishing the Overseas, European and Regional Divisions, and replacing them with safeguards to avoid over-



Sir Frank McFadzean

centralisation in the Holdings Board." He said that BOAC and BEA should have "a considerable measure of operational autonomy," and that while there should be more co-operation than hitherto, "all steps possible should be taken to ensure that the individual identities and morale of the airline corporations are not impaired." He thought that the concept of the Holdings Board would make changes in policy and organisation constitutionally easy to achieve, while keeping "the options open as conditions and needs change."

The task of first implementing the Edwards Report went to Sir David Nicolson, who was appointed chairman of the newly-created Airways Board in 1971. In effect, Sir David's actions followed closely on Edwards Committee's recommendations. The Airways

Board was given complete authority over the finances and policy of the two airlines, and while the separate titles of BOAC and BEA were eventually abolished, the airlines effectively remained intact under the new titles of Overseas Division and European Division respectively.

Even those initial changes met considerable internal opposition from staff whose loyalties still lay with their old airlines. Sir David was among the first to recognise that no matter what legal and financial decisions might be achieved by strokes of the pen, staff integration was likely to be a much longer and tougher matter.

It has proved so to this day. While British Airways has made a strenuous effort to portray the image of a single united airline operation, internally the old loyalties not only have survived — transferred from BOAC and BEA to the Overseas Division and European Division — but also appear to have strengthened. The Airways Board itself virtually perpetuated this situation by the creation of the former domestic operations conducted by Northeast Airlines, Cambrian Airways, Scottish Airways and Channel Airways.

Despite efforts to introduce some measure of co-ordination — through the creation, for example, of a common pilot force, and the integration of all the engineering activities under a new director of engineering — it has become increasingly clear that the divisional attitudes and loyalties were strengthening, not diminishing. The two main divisions were becoming increas-

ingly autonomous, virtually reverting under the BA banner to the old BOAC/BEA situation. Each division had its own committees to discuss very much the same kind of things, such as re-equipment, fares policies, and route structures. Many staff inside the airline still see no harm in what was, after all, what Sir Ronald Edwards had originally suggested.

But some of the top management, and especially Mr. Henry Marking, deputy chairman and hitherto managing director (the now relinquishes this latter function to Sir Frank, but remains deputy chairman), could see the dangers in such a situation being allowed to continue — the long-term reversion, for example, to separate and expensive re-equipment policies, and the increasing duplication of effort, and waste of time and money, through too-heavy management and extensive inter-divisional committees.

The critical moment seemed to come when the European Division found itself with too many TriStars, and the Overseas Division needed more capacity. Immediate industrial difficulties arose over who was to fly the handful of TriStars passed over to the Overseas Division for its long-haul routes. Under a fully integrated airline such a transfer should — and would — have been a routine operational decision, accepted by all and not subject to long-drawn-out inter-divisional arguments with attendant industrial relations problems.

Mr. Marking therefore initiated the studies that have led to the current planned reorganisation. A small internal committee, under Mr. Peter Hermon, BA's management services director, prepared the blue-

BRITISH AIRWAYS BOARD

Chairman: Sir Frank McFadzean
Deputy Chairmen: Henry Marking and Ross Stainton

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Personnel
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International Aeradio

GEOGRAPHICAL REGIONS

Atlantic
African
Eastern
Continental (Europe)
Domestic (U.K.)
Airtours

In contrast to the present set-up whereby each division has its own service departments, the re-structured organisation above will have central facilities serving each of the geographical regions.

print for the changes. BA argues that the divisional structure was beneficial during the transitional, early stages of the merger. But, it says, there are advantages to be gained, including greater profitability and efficiency, if steps towards further integration are taken now.

The new structure is intended to create a single airline to which all staff can give their undivided loyalty, with simpler lines of command, the removal of some layers of management, clearer individual responsibilities, and (hopefully) eventual economies in costs and manpower at all levels.

The aim now is to abolish the divisions in favour of a single focal point, called the Commercial Operations Department, under Ross Stainton (currently chairman of Overseas Division and who is to become a deputy chairman of BA) with Roy Watts (chairman of European Division) as his deputy. This will be responsible for allocating the resources of the airline in terms of aircraft

and crews to six main geographic regions — Atlantic, African, Eastern, Continental (Europe), Domestic (U.K.) and Airtours.

Each region will be responsible for its own marketing and product planning for passenger, cargo and mail operations in its geographical area. It will assess customers' needs, and decide what to offer in the form of services, routes, flight frequencies and aircraft types. Each region will contribute to formulating overall BA policy and will also bid for the production resources it needs, and these bids will be consolidated by the Commercial Operations Department into a "total commercial requirement" for the airline.

The new Planning Department will balance this commercial revenue — earning requirement against both the available operational resources provided by the Flight Operations Department (responsible for crews) and Engineering Department (responsible for aircraft), and the cost of pro-

CIVIL SERVICE COSTS

£4m. savings with microfilm

GOVERNMENT department lease and sale of land for such could achieve a saving of over £4m. in the next nine years as schools and redevelopment. The microfilming venture, orage from a traditional filing, which has been implemented in stem to microfilm, according preference to a central repository for record storage, began ent Services in Government, with a pilot study at two offices in the North-East, late in 1973.

The department is the Value study in April, 1974, and reorganisation later that year. It is now expected that the job of is the valuation of land and microfilming all old files will be idings for a variety of tax-completed during the coming purposes and the provision. A major reorganisation of es to Government depart records of the Valuation Office nts and local authorities in had been under consideration onnection with the purchase, for some time in the early 1970s

but little progress was made until 1972 when reorganisation of local government from 1,300 authorities to 400 was seen as an opportunity for the Office to reduce its own number of local offices from 200 to 174.

The central repository idea was discarded after it was estimated that it could take up to seven years to complete such a reorganisation. Also, requirements for such a system seemed to demand a six-acre site accommodating a total of 100 miles of shelving. This would have to grow by 100 yards a year. The cost of manning, maintenance, supervision and the organisation of the initial removal of files from 200 local offices also presented considerable problems.

Although microfilm was seen as the best solution, the transfer of information from files to film would have taken several years, even using something like 100 cameras. A sample estimate of

files in ten local offices indicated that there were around 300m. pieces of paper filed throughout the office network. The outcome was that 200m. pieces of paper were destroyed. All the remaining 100m. pieces related to papers originating after 1963.

Two different types of camera were used in the pilot study and considerable time was spent on briefing staff on the objectives of the study.

A review of the study showed there were no fundamental problems with microfilm, although it was necessary to file separately some plans and maps which were too large to film and it was also found desirable to keep all files on settled business for one year prior to microfilming to allow for any correspondence subsequent to closure of the case to be settled.

Management Services in Government, November 1976, even using something like 100 HMSO, £2.56 for four cameras. A sample estimate of

Business books list

Forecasting for Business: Methods and Applications, by Douglas Wood and Robert Fildes. Longman Group, £8.95. This aims to provide the practising manager or student with the tools and framework necessary to produce a good forecast.

Interorganisational Relations, edited by William M. Evan. Penguin Books, £1.75. A cross section of recent work done in this field, divided into five categories including six new theoretical models.

The Private Company in Germany, by Mary Oliver. Mac-

donald and Evans, Estover Road, Plymouth, £2.50. The full text of the German Private Companies Act is set out in English and German, arranged side by side for easy cross reference, with a glossary and commentary on parts of the Act of particular interest to English company lawyers and businessmen.

The Changing Information Environment by John McHale. Elek Books, 54-58, Caledonian Road, London, N.1, £10. An account of the impact computer technology and telecommunications has had on the individual

and his freedom, and on society, education, business and politics. Business and Society, by Thomas Kempner, Dr. Keith McMillan and Kevin H. Hawkins. Penguin Books, £1. A look at how corporate capitalism, inflation and industrial techniques have broken down older business attitudes, concluding with suggestions for a new political economy.

Decisions, Organisations and Society. Edited by F. G. Castles, D. J. Murray, D. C. Porter and C. J. Pollitt. Penguin Books, £2.25. This is the second edition of one of the set texts for the Open University's course on "Decision making in Britain".

Introductory Economics by G. F. Stanlake. Longman Group, £1.75. The third edition of this book gives far more attention to the role of government, changes in the value of money, and ways of devising counter inflation policies.

The Power of the Group by John Rowan. Davis-Poynter, London, £5. This is the third in the series "Psychological Aspects of Society," and deals with conformity, group conflict and other small-group phenomena, hierarchy and its alternatives in organisations.

Product Planning by Merlin Stone. Macmillan Press, £7.95. The author argues the case for basing product planning on projections of future demand in all markets rather than on existing markets.

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FRIDAY, NOVEMBER 19, 1976

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The realities of reds-under-the-bed

IT IS one of life's great truths that not everyone who sees little pink mice climbing up his bedroom wall has necessarily been over-indulging in spirituous liquors. The mice may well have escaped from a neighbouring circus. By the same token, the wise psychiatrist (if such exists) should hesitate before committing to the bin the man who appears to have persecution mania. He may actually be being persecuted and there is nothing like it for producing the necessary symptoms.

It is just as well to bear this fact in mind as one contemplates the latest "reds-under-the-bed" campaign. Many questions doubtless spring to the sceptical mind when some enthusiastic claim to have glimpsed a Cossack boot peeping from beneath the counterpane. How long has it been there? Is the occupant dead or just sleeping? Why hasn't anybody mentioned it before? Is it really likely that in a centrally-heated bedroom, snow should still be visible on the instep? And so forth. But scepticism is not enough. The basic fact may be correct although the surrounding Communist Party of Great Britain applied for affiliation to Labour in 1920. The application was turned down on the state of affairs to which Mr. Ian Sproat and the Social Democratic Alliance (together with attempts by the Communists to sundry helpers from all quarters infiltrate the Party at the grass of the political globe) have re-roots were similarly resisted. Recently he has been trying to draw attention to the fact that in 1927 the National amount of historical perspective. Executive was obliged to disown As Mr. Heath remarked in his 23 constituency Labour Parties, rebuke to the Conservatives on including 15 in the London area, this question yesterday, the view because the Communists had that a number of Labour MPs taken them over. Even these

The fact of the matter is that the subsequent history of the Labour Party has been a roller-coaster of Communist gains followed by panicky but effective defensive measures from the trade unions and the Party Establishment. The rise of Fascism and the Spanish Civil War (both very good for Communist recruitment) were followed by the expulsion of the draconian measures might not have been enough to stem the tide if Moscow had not reversed its policy in 1928, abandoning any idea of a "united front" and denouncing Labour as "social fascists".

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Mr. Ian Sproat (left) and Mr. Stephen Haseler, secretary of the Social Democratic Alliance (right): catching sight of the Cossack boot.

Glib talk of scroungers

From Mr. S. Mortimer.
Sir, it is incredible that a Minister fresh into the Social Security field is seeking to tax a person drawing unemployment benefit. The crux of the situation is that in order to obtain unemployment benefit a person is out of a job and must register for a job, and the 15m. people out of a job are, I consider, entitled to regard themselves as the victims of and not the beneficiaries of the social welfare state. So why the witch-hunt and loud-mouthing against those who are unfortunate in having to face the indignity and hardship of being unemployed?

Those who are not normally affected by the "dust of the arena" who glibly talk of scroungers should themselves take heed of their own image in the looking glass of public opinion, and thereby set an example before pointing the finger at those less fortunate people. A short-term un-faxed cash benefit to a person with no job and no prospect of paid holidays and private pension rights for the period of unemployment is hardly analogous to the long-term benefit of index-linked pension paid to MPs and other privileged members of the community.

Mean "party tricks" by any Government do not impress the electorate at large.
A. Mortimer, Ashford, Surrey.

Taxation of benefits

From Mr. J. Harrison.
Sir, Perhaps a simple and just compromise solution to the problem outlined so well by John Jones (November 17) would be to have all benefits other than pensions treated as tax paid at basic rate. This would obviously reduce the tax rebate level payable to newly unemployed persons. In subsequent adjustment to benefits their new status would hopefully be taken into account.
John Harrison, Regal Lane, N.W.1.

Public sector pensions

From Mr. A. Furse.
Sir, As expected, the general secretary of the Institution of Professional Civil Servants has been unable to name a single fully indexed pension scheme in the private sector. I am sorry to say however that it appears that the TSB has been given the right to index pensions under the 1971 Act will not be withdrawn. It is an interesting fact that the Government guarantee which will presumably have been given the TSB to cover this open ended liability will represent the first extension of this public sector privilege to a private group. The Post Office having a monopoly didn't get such a guarantee but it has—and does—charge what it likes. The TSB has to contend with banks and building societies. I can't help wondering whether the TSB scheme includes the concept of notional final salary, the fact that a punter bets for the fun of the risk, while the shareholder tries to minimise the risk he faces. I would like to ask whether the "lone punter" ever considers himself a part owner of the horse. Does he go up to the jockeys' box, or look back over the 12 years prior to retirement and choose his salary paid to them in any respect of these years as a base. To his proportion of the capital? This base salary can then be No, his is a separate contract.

Letters to the Editor

cumulatively indexed up (in fact) in line with the retail price index for all the years between the date of this base salary and the date of retirement, all that the pensioner would be left with is a small sum. Someone retiring in 1977 therefore could choose his 1970/71 salary of £2,500, apply the 1971/72 R.P.I. increase of over 100 per cent, and base his pension on a figure of £2,000+ rather than the £2,500 which might well be the true figure. If this is the case, it seems indefensible, and gives a retrospective coach and horses through the squeeze and pay freezes of the past 12 years—right back to 1964—and the matches and the 14th Mr. Wilson. It would be the ultimate insult to the self employed with their 15 per cent limit and maximum restrictions on the contributions in any one year. How could they be refused a similar facility and tax exemption on the difference?

Housing farm workers

From Mr. J. Dixon.
Sir, All parties concerned are agreed that the Bill now going through Parliament will be to increase the demand for council houses for farm workers. Before the final vote those involved might like to reflect on two current problems on this farm.
The ex-wife of a member of my staff, whom I have housed for some 18 months, is very anxious to leave the district. I have tried hard to find her a council house but to no avail. The only way in which I can make it possible for her to leave is to evict her. This is distasteful for us both and degrading for her. Under the new Act I believe that I may not be able to evict her, to which case the council will have no obligation to find her a house. She will then be forced to live in close proximity to her husband for the rest of her life.
On a recent visit to carry out an audit, the Inland Revenue officer stated that if a farmer pays the rent on a council house for a member of the staff it will be taxed as a perk. The provision of a free house is not so taxable.
It seems that in both these cases the Bill is against the interests of those who it purports to protect. It is not yet too late to stop it.
J. D. E. Dixon, Dorton Farm, Scotland House, Inghelshay, Gwent.

Who owns a company?

From Mr. K. Hiscock.
Sir, — Mr. Michael Greener (November 15) appears to be confused in his own mind about the exact difference between "shareholders" and "punters" while at the same time accusing Mr. Ivens of confusion between "owners" and "shareholders". He compares a shareholder's "property rights" with the lone punter's ownership rights in the horse he backs. Disregarding the fact that a punter bets for the fun of the risk, while the shareholder tries to minimise the risk he faces, I would like to ask whether the "lone punter" ever considers himself a part owner of the horse. Does he go up to the jockeys' box, or look back over the 12 years prior to retirement and choose his salary paid to them in any respect of these years as a base. To his proportion of the capital? This base salary can then be No, his is a separate contract.

Under the Greek flag

From Mr. H. Hadjipateras.
Sir, I was interested to read (November 10) that Britain has maintained her position as the world's third largest merchant shipping fleet behind Liberia and Japan, as per Lloyd's register of Shipping Statistical Tables 1976. What was even more interesting reading, however, was in fact the reason for this letter was the news that the Greek flag has, according to your article, lost her status as being a traditional flag of nation and become a flag of convenience. I cannot believe that such information was obtained from Lloyd's Register and I feel that, being involved in maritime affairs myself, as my family is and has been for many years, I must point out that Greece is one of the oldest maritime nations in the world and didn't just spring out of nowhere as did, for example, some other flags not very many years ago.
Greek flag vessels are subject to very stringent controls, regulations, maintenance and high standards and the fact that the Greek fleet has grown so quickly in past years is more fairly attributable to operators' enterprise and experience, passed down from generation to generation, in addition to their inherited flair, rather than anything else.
Harry C. Hadjipateras, c/o City Shipbrokers Ltd., 39-40, Featherstone Street, E.C.1.

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Retailers and audio prices

From Mr. A. Banford.
Sir, — The radio and electrical business will need to tread very carefully in the increasingly controversial debate over the merits and demerits of maintaining recommended retail prices. If it is abolished, as many retailers want, then consumers simply won't have a clue what products are worth and what value a manufacturer has put into them. Moreover, it will almost certainly lead to unscrupulous claims like "Popular price £319; our price £289.50".
There may be some pretty heavy and confusing price cutting at the moment, but at least the person in the street has something to relate prices to. With RRP gone it wouldn't take long for us to be bartering like shoppers in an Arab souk, with everyone boasting of getting a better deal than their neighbours. In the long run this would be damaging to retailers because they would lose their credibility with the public. Fierce competition on price with absolutely no basic guidelines would make the whole industry look disreputable.
What's more, it would almost certainly lead to a fall-off in sales.
The debate has arisen, of course, because small retailers are increasingly afraid of the buying power of the multiples and the giant discount houses. Their argument? That price cuts are now so huge that actual selling prices often bear little or no resemblance to the manufacturers' recommended prices. The only way they can compete, they claim, is to make equally large price cuts. I disagree; and so, I believe, do many other manufacturers.
What these retailers are completely overlooking, of course, is that TV, audio and a large range of electrical appliances are not simply sold or bought. If they were, then I believe small and medium-sized retailers would attract more sympathy than they are getting at the moment. The very fact that consumers are perhaps more aware than they have ever been of good service is ample evidence that the trade can compete with the large discounters. All they need to do is to provide a really thorough specialist service: something that discounters cannot possibly provide because of the very nature of their business.
Another important factor that is being completely overlooked by traders is that the manufacturer is the only one in the chain capable of assessing what is a reasonable price for the product. Retailers simply don't know the cost of design and materials, or the capital investment involved and of the labour content.
Arthur Banford, Fidelity Radio, Victoria Road, N.W.10.

What students study

From The Director, Central Services Unit for University and Polytechnic Careers and Appointments Services.
Sir, — While not wanting to challenge the basic concepts of Mr. C. A. Allen's letter (November 17) the figures he quotes for students at British Universities in 1975 are not correct.
The figure of 122 given for those studying production engineering is the total of men and women graduating from U.K. Universities with first degrees in the subjects for that session. The corresponding figure for mechanical and civil engineering is 2,573 and 74 respectively.
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GENERAL

Duke of Edinburgh visits Greater Manchester.
European Parliamentary session ends, Luxembourg.
Negotiations continue between EEC Commission and Norway on reciprocal fishing agreement.
Sub-Committee B of Select Committee on Nationalised Industries ends visit to U.S. and Japan undertaken as part of its inquiry into British Steel Corporation.
House of Keys elections, Isle of Man, second and final day.
Lord Thornycroft, chairman, Conservative Party speaks at Cambridge University Conservative Association meeting.
Mr. Michael Heseltine, Opposition spokesman on industry, addresses Conservative Associations at Nuneaton, Birmingham and Stourbridge.
Sir Robin Gillett, Lord Mayor of London, attends Coopers' Company dinner, Mansion House.
PARLIAMENTARY BUSINESS
House of Commons: Consideration of Lords amendments to Bills.
House of Lords: Rent (Agriculture) Bill, Commons Bill, consideration of Commons amendments.
COMPANY MEETINGS
Bird (Africa), 37, Queen Street, E.C., 11.30. Fitzroy Investment, Hall, S.W.7, 7.30 p.m.
Bach Choir and Royal Philharmonic Orchestra, conductor David Wilcocks, with Richard Popplewell (organ) and Alfreda Hodgson, Jennifer Smith and John Shirley Quirk, give Brahms Concert: "St. Antoni" Variations, Op. 34; Also Rhapsody and Requiem, Royal Festival Hall, S.E.1, 8 p.m.
London Bach Orchestra, conductor Martindale Sidwell, play music by Purcell, Vivaldi, Bach, Mozart, and Haydn. Queen Elizabeth Hall, S.E.1, 7.45 p.m.
Richard Rodney Bennett and Susan Bradshaw play music on piano by Ravel, Gies, Mozart (Sinfonia Concertante in G major, K.364); and Mahler (Symphony No. 1 in D), Royal Albert Hall, S.E.1, 7.30 p.m.

To-day's Events

Connaught Rooms, W.C., 11.30.
Pontin's, 20, Aldermanbury, E.C., 12.
OPERA
Royal Opera perform Così fan Tutte, Covent Garden, W.C.2, 7.30 p.m.
English National Opera production of Cavalleria Rusticana and Pagliacci, Coliseum Theatre, W.C.2, 7.30 p.m.
MUSIC
Los Angeles Philharmonic, conductor Zubin Mehta, play works by Kreisler (four orchestral pieces); Mozart (Sinfonia Concertante in G major, K.364); and Mahler (Symphony No. 1 in D), Royal Albert Hall, S.E.1, 7.30 p.m.

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Los Angeles Philharmonic, conductor Zubin Mehta, play works by Kreisler (four orchestral pieces); Mozart (Sinfonia Concertante in G major, K.364); and Mahler (Symphony No. 1 in D), Royal Albert Hall, S.E.1, 7.30 p.m.



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It's an advertisement that reflects efficiency, reliability, attention to detail, modern outlook. All points, surely that you list in favour of your company. And all most impressive to a client. Or prospective client. Pictured is the Vauxhall Cavalier 'GL' with our proven 1.6 litre engine. (1.9 litre engine also available.) Inside you're surrounded by luxury: Velour cloth seats. Quartz activated clock. Soft grip sports steering wheel. Carpeted lower door trims. Our concern for your welfare goes further: Hazard warning flashers. Heated rear window. 25 cu. ft. boot. 11-stage body-protection process with underbody seal. On the road you'll discover acceleration from 0 to 60 in 13.4 seconds. A top speed of 96.3 mph. Together with 39 mpg at a constant 50. And you don't find many advertisements that are this cheap to run these days.

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For further information about the Vauxhall Range, VLS Lease Programme and Daily Rental Leasing, contact Fleet Sales Dept., Vauxhall Motors Ltd., P.O. Box No. 3, Luton, Beds. LU1 12J. Perhaps 20 or 30 constituencies (a number of which are in London) this attempt seems to have made a serious effort on the balance of the Party. The constituencies have elected Left-wingers to the National Executive since 1952, but they have continued to select candidates for Parliament, most of whom are far more centrist than they are themselves. If this selective balance continues and if the trade unions can provide a counterweight to the Left on the EEC, the chances are that the Labour Party will remain more complicated. The constituency parties as a whole have always tended to be dominated by the activists, the majority of whom are apt to believe in prescriptions at the leftward end of the Social Democratic spectrum or beyond. Nationalisation, high social welfare and radical income redistribution have been their staple fare for many years, and if they appear more "Socialist" in these beliefs than heretofore, that is mainly strength—the individual constituency parties. On the other hand if they are infiltrated themselves, or choose to opt out of the Labour Party trouble altogether, then the outlook is very different—particularly in the

COMPANY NEWS + COMMENT

Land Securities six months advance

TOTAL GROSS income of Land Securities Investment Trust for the half year to September 30, 1978, rose from £26m to £28.06m, and income on completed properties before tax increased from £5.01m to £9.34m.

Stated basic earnings are 2.79p compared with 2.45p, and fully diluted 2.89p against 2.25p. The interim dividend is unchanged at 1.3p net per 50p share. Total last year was 4.32p from pre-tax income of £17.57m.

Comparisons have been amended to give effect to changes in accounting treatment of certain properties.

Amounts offset by a transfer from capital reserve for the period are £2.4m (same) in respect of net outgoing after tax attributable to development properties, and £8.41m (£5.57m) in respect of unrealised exchange loss on U.S. dollar loan.

comment

Land Securities pre-tax profits are 181 per cent ahead at the interim stage but beyond that it is saying little. Gross income is up 8 per cent. Despite the £85.5m of property sales last year, and the £7.7m provision on the \$80m loan (compared with attributable profits of £4.5m), underlines the group's continued exposure on this score. Though it had agreed to sell £25.7m of properties at the end of March no indication is given about the size of disposals in the first half (or the terms agreed). However, judging by the interest received on deposits the group still has cash balances of around £45m, and appears to be having no difficulty funding its £46.2m of capital commitments. Contrary to previous statements no mention has been made of a dividend increase at the year-end, nevertheless the shares closed 7p higher at 125p where the yield is 3.3 per cent.

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Northborough winding up

Northborough Investment Trust is going into voluntary liquidation. The Board says that having considered the financial position of the company it was decided that there was no alternative. An EGM is to be convened to consider the resolution that by reason of its liabilities the company cannot continue its business and that it is advisable to wind up, appointing Mr. Stanley D. Crawford liquidator. Steps are to be taken to convene a meeting of creditors.

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Rexco in the red at halfway

REFLECTING THE reduced activity in all group companies, Rexco, National Carbonising Company reports a turnaround from a profit of £10,000 to a loss of £52,000 from continuing business in the half year ended September 30, 1978, on a turnover virtually static at £10.76m, against £10.27m.

Mr. Edward Davies, chairman, explains that the exceptional weather had a marked effect on domestic sales of solid smokeless fuel, and merchants' stocks are high at the approach of winter. As forewarned in the last annual statement, NCC Rexco has mothballed one of its plants—Edwinstone in Nottinghamshire—while demand remains low. This plant is however, ready for recommissioning when demand requires.

Meanwhile, overheads have been trimmed substantially appropriate to the reduced level of demand, says the chairman. The sale is announced for £131,000 cash of the bulkliner container train activity which formed part of Transbulk. This business was affected by the considerably reduced volume of fuel moved during the summer and this, coupled with a substantial increase in the cost of hiring trains from Freightliner, adversely affected its economic prospects.

Mr. Davies reports that the new activities in Interfresh and NCC Process Systems are in line with expectations, and that Scotts of Nottingham, NCC Engineers and Scottish Rexco remain profitable.

As regards the purchase (reported yesterday) of assets from the receiver of Automatic Oil Tools, he says that this forms a substantial and valuable addition to the engineering division. The group is maintaining its valuable investments in North Sea oil exploration companies, the most significant of which is in

London and Scottish Marine Oil Company, whose stake in the Ninian oilfield continues to show satisfactory development.

There is again no interim dividend—the last payment was the 0.85p final for 1977-78 paid from profits of £132,000.

Half year 1978 1977

Turnover: 10,760 10,270

Rexco 6,542 7,290

Transport 2,781 2,781

Vehicle distribution 1,811 1,811

Engineering 343 439

Total 10,760 10,270

Profit before tax 107 11

Interest payable 52 100

Loss before tax 52 89

Total retained 27 149

Not lost 28 149

Decrease in reserves 21 49

Excluded in respect of 1977 are sales of £5.5m, by discontinued business. Profit: 1 Charge, 4 Surplus.

comment

A £135,000 turnaround to losses in the first six months provides clear evidence of the problems which National Carbonising is suffering on its smokeless fuel side. The effects of the long but summer on domestic sales may be responsible for much of the first-half downturn but traditionally this division never really comes into its own until the second half which takes in the winter months. The group's main worry appears to be on the industrial side which supplies 95 per cent of its output to the depressed steel industry. NCC is now engaged in a strenuous diversification programme, hence the Automatic Oil Tools takeover; but how far it can continue this with borrowings at their current level—almost 50 per cent of net worth—remains to be seen. The group's capitalisation of £2.6m, at 23p, reflects the market's justifiable caution.

Billam profit up at midway

An increase in exports, as previously forecast, has resulted in an improvement in turnover and

profits at cutlers J. Billam, 4975 chairman Mr. G. Billam. On turnover up over £581,613 to £729,312, pre-tax profits for the six months to June 30, 1978, increased to £73,539 (£62,614). Tax takes £38,240 (£32,559).

Mr. Billam says that there is every indication that this progress will be maintained. Earnings per share improved to 2.35p (2.0p) and the interim dividend is held at 0.715p net per 10p share. Total last year was 2.83p from profits of £115,552.

Wedgwood falls at half-year

PRE-TAX profits fell at tableware and sanitaryware manufacturers Wedgwood from £3.12m to £2.87m, while sales expanded to £26.66m (£22.75m) for the six months to October 2, 1978.

The directors say that September was a record month for both sales and profits and the third quarter has started well. The interim dividend is 3p net per 25p share against 2.5p. The directors state that as there is no longer any tax benefits to be gained from deferring payment of the interim until April, they have decided to make payment in January. The intention is to equalise, as far as possible, the half-year payments and to pay the maximum permitted for the year.

Last year's total was 5.51p with pre-tax profits totalling £7.07m.

Earnings per share on after tax profit fell to 9.1p (8.5p).

36 weeks 2 weeks

1978 1977

Turnover 26,660 22,750

Interest 458 317

Investment 2,867 3,120

Taxation 1,497 1,548

Attributable 64 201

Retained 1,173 1,173

36 weeks 2 weeks

1978 1977

Turnover 26,660 22,750

Interest 458 317

Investment 2,867 3,120

Taxation 1,497 1,548

Attributable 64 201

Retained 1,173 1,173

comment

Wedgwood shares jumped 15p to 113p after the results yesterday but recovery in the second quarter had been forecast. Moreover the accompanying half-year balance sheet has shown some deterioration. Borrowings have risen £5m to about £11m, due to a £2.5m increase in stock, a £2.1m rise in debtors and expenditure on the expansion programme. Seasonal factors probably bear part of the blame but there is a 53 per cent rise in interest charges. Last year Wedgwood already had an unfortunately slow stock turnover rate of 2.3. Meanwhile the difficult trading conditions reported in North America and Australia may be connected with competition from the Far East and nearer to home, Ireland has recently complained of pottery "dumping". The shares yield 3.3 per cent.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Current payment	Date of payment	Current payment	Date of payment	Current payment	Date of payment
Anglo American Corp.	1.00	Dec. 21	1.00	Dec. 21	1.00	Dec. 21	1.00	Dec. 21
Assam Consolidated	1.00	Dec. 21	1.00	Dec. 21	1.00	Dec. 21	1.00	Dec. 21
Beecham	2.57	Feb. 1	2.57	Feb. 1	2.57	Feb. 1	2.57	Feb. 1
J. Billam	2.35	Jan. 7	2.35	Jan. 7	2.35	Jan. 7	2.35	Jan. 7
Thos. Borthwick & Sons	3.5	Jan. 25	3.5	Jan. 25	3.5	Jan. 25	3.5	Jan. 25
John Carr (Doncaster)	1.89	Jan. 7	1.89	Jan. 7	1.89	Jan. 7	1.89	Jan. 7
Century Oils	0.5	Jan. 8	0.5	Jan. 8	0.5	Jan. 8	0.5	Jan. 8
E. Chalmers	0.8	Dec. 30	0.8	Dec. 30	0.8	Dec. 30	0.8	Dec. 30
Cocksedge	0.81	Feb. 4	0.81	Feb. 4	0.81	Feb. 4	0.81	Feb. 4
J. H. Dennis	1.25	Jan. 7	1.25	Jan. 7	1.25	Jan. 7	1.25	Jan. 7
Highgate & Job	1.25	Feb. 7	1.25	Feb. 7	1.25	Feb. 7	1.25	Feb. 7
International Paint	2.79	Dec. 10	2.79	Dec. 10	2.79	Dec. 10	2.79	Dec. 10
Land Securities	1.5	Dec. 10	1.5	Dec. 10	1.5	Dec. 10	1.5	Dec. 10
Nthn. Securities Ltd.	0.7	Dec. 22	0.7	Dec. 22	0.7	Dec. 22	0.7	Dec. 22
Norwest Holst	2.16	Dec. 22	2.16	Dec. 22	2.16	Dec. 22	2.16	Dec. 22
Peak Investments	0.15	Dec. 22	0.15	Dec. 22	0.15	Dec. 22	0.15	Dec. 22
Redland	1.74	Jan. 17	1.74	Jan. 17	1.74	Jan. 17	1.74	Jan. 17
Robert Atkinson	0.18	Dec. 22	0.18	Dec. 22	0.18	Dec. 22	0.18	Dec. 22
Talbot	Nil	Jan. 20	Nil	Jan. 20	Nil	Jan. 20	Nil	Jan. 20
Town Centre Secs.	0.73	Dec. 3	0.73	Dec. 3	0.73	Dec. 3	0.73	Dec. 3
View Forth Int. Ltd.	0.85	Dec. 3	0.85	Dec. 3	0.85	Dec. 3	0.85	Dec. 3
Widex	0.24	Feb. 1	0.24	Feb. 1	0.24	Feb. 1	0.24	Feb. 1
Wedgwood	3	Jan. 4	3	Jan. 4	3	Jan. 4	3	Jan. 4
Welco Holdings	0.24	Feb. 1	0.24	Feb. 1	0.24	Feb. 1	0.24	Feb. 1
Witan Investment	0.8	Feb. 1	0.8	Feb. 1	0.8	Feb. 1	0.8	Feb. 1

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross throughout. (b) For 18 months. (c) For 18 months. (d) South African cents throughout.

Century Oils to make up lost ground

AN ADVANCE from £328,000 to £545,000 in pre-tax profit is reported by Century Oils Group for the six months ended September 30, 1978 and chairman Mr. C. H. Mitchell forecasts that the second half will be at least as good as this. In 1977-78 profits fell from a record £1.01m to £820,000.

Referring to dividends he points out that since the bid from British Petroleum has lapsed, following its reference to the Monopolies Commission, the Treasury has withdrawn permission granted just before the referral for a substantial dividend in the current year's dividend. Any increase will therefore be limited to the permitted maximum. An increase from 0.5p to 0.5p is now being made in the interim—last year's, total was 2.17p.

Half-year 1978 1977

Turnover 1,010 820

Interest 12 7

Investment 1,010 820

Taxation 1,010 820

Attributable 1,010 820

Retained 1,010 820

Half-year 1978 1977

Turnover 1,010 820

Interest 12 7

Investment 1,010 820

Taxation 1,010 820

Attributable 1,010 820

Retained 1,010 820

Half-year 1978 1977

Turnover 1,010 820

Interest 12 7

Investment 1,010 820

Taxation 1,010 820

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Retained 1,010 820

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Turnover 1,010 820

Interest 12 7

Investment 1,010 820

Taxation 1,010 820

Attributable 1,010 820

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Turnover 1,010 820

Interest 12 7

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Taxation 1,010 820

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Turnover 1,010 820

Interest 12 7

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Investment 1,010 820

Taxation 1,010 820

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Half-year 1978 1977

Turnover 1,010 820

Interest 12 7

Investment 1,010 820

Taxation 1,010 820

Attributable 1,010 820

Near £20m. jump by Beecham midway

A JUMP from £55.5m. to £75.5m. in group pre-tax profits is reported by the Beecham Group for the half year ended September 30, 1978, and earnings per share increased to 20.75p compared with 13.37p.

At the trading level profits were up by £21.2m. to £56.7m. on a turnover of £70m. ahead of £53.2m. Restatement of the results for the 1975 half year at March, 1976, exchange rates would increase the trading profit for that period by £3.9m. and the total profit for the 1975 half year at March, 1976, had been applied to the 1976 half year result it would increase sales by £28m. and trading profit by £3m. The interim dividend is raised from 2.51p to 2.87p net at a cost of £4.1m. - the total for 1977-78 was 5.54p paid from profits of £91.2m.

Group sales	1978	1977
Trading profit	56.7	53.2
Profit before tax	55.5	55.5
Taxation	2.9	2.9
Net profit	52.6	52.6
Minority	0.6	0.6
Available	2.9	2.9

Statement Page 30
See Lex

Improvement at Highgate and Job

PRE-TAX PROFITS of Highgate and Job more than doubled from £53,000 to £27,000 in the six months to September 30 on turnover up from £2.7m. to £4.7m. The directors say the results are in line with expectations and on present indications they would expect the improvement to continue. Profits for the year to March 1978 were £68,500.

No as to conserve resources, the interim dividend is held at 1p per share. Last year's final was also 1p. The oil division has traded profitably and should continue to do so for the remainder of the year, members are told. It will however be affected in the future, to an extent which is not possible to predict, by any further reduction in the quota for the catch

of the sperm whale that may be agreed by the International Whaling Commission. The profits division is now operating satisfactorily.

Turnover	1978	1977
Profit before tax	55.5	55.5
Taxation	2.9	2.9
Net profit	52.6	52.6
Minority	0.6	0.6
Available	2.9	2.9

Recovery trend at Martonair

GROUP SALES of Martonair International in the first quarter of the current year are well above the level of the first quarter of 1975 period and, barring unforeseen circumstances, the group expects to make substantial progress in the coming months towards a return to the record results achieved in 1974-75, states Mr. G. Godwin, chairman.

In the longer term he remains confident of the continuing growth potential of the group and in its ability to attract an increasing share of world markets. Looking at 1975-76 the chairman explains that incoming orders and turnover remained at a low level during the first half reflecting the recession in world markets, and this position did not change significantly until March of this year, so that total turnover at £19.2m. (£18.8m.) was only slightly higher. The consequent under-utilisation of productive capacity resulted in higher operating costs, so that profit before tax, decreased to £2,156,383 as compared with £2,979,325 in the previous year.

Of the group turnover nearly 77 per cent was in respect of direct exports from the U.K. and sales to overseas subsidiaries. In spite of the difficult trading conditions, there was a small increase in turnover in the U.K. from £4,285,965 to £4,441,331, indicating an increased market share, and

the group is continuing to strengthen the U.K. sales organisation to improve the service to customers.

Overseas sales remained static in most countries for the greater part of the year, although a noticeably improved trend began to develop in the last quarter which has continued into the current year. The losses in Holland during the latter part of 1975 were eliminated following further rationalisation and the company is now profitable.

In France, although there was some recovery in the second half, the year ended with a small loss, resulting from the increased costs and static turnover. In recent months, there have been indications of increased activity in the Middle East and in the Far East. A number of new products have been developed during the year, including a new range of European standards which should be in full production within the next two months, says Mr. Godwin. A group statement of funds reveals a net decrease in bank borrowing of £1.68m. (£0.26m. increase).

Members of the group-makers of pneumatic control equipment - is at the Connaught Rooms, WC, December 14 at noon.

Chairman's statement Page 27

MPI turns in £52,145

Including a surplus on loan stock redemption of £57,145, musical instrument manufacturer and funeral services concern MPI has shown a profit of £52,145 for the 18 months ended June 30, 1978. This compares with a loss of £176,551 in the preceding year. Excluding the loan stock surplus, the loss per share was cut to 0.18p (loss 2.66p). There is again no dividend - the last payment was 0.2625p for 1973.

1978	1977
Turnover	1,094,227
Profit before tax	52,145
Taxation	1,765
Net profit	50,380
Minority	0
Available	50,380

Chairman's statement Page 27

Borthwick tops forecasts

INTERNATIONAL meat traders, Thomas Borthwick and Sons reported on pre-tax profits up from £4.67m. to £5.08m. for the year to September 30, 1978 and the dividend total is stepped up from 1.61p to 4.8p net per 50p share. In the offer for sale in July profits of £7.25m. and a final dividend of 5.5p were forecast.

1978	1977
Turnover	22,800
Profit before tax	5,080
Taxation	1,216
Net profit	3,864
Minority	0
Available	3,864

The extraordinary items are mainly the exchange differences on translating overseas net current assets at rates of exchange ruling at the financial year end. Exports to EEC countries from the U.K. division increased again so some £10m. (£4m.) say the directors. Exports to Middle East countries from the Australian and New Zealand divisions increased again to £13.4m. (£10m.) and livestock populations in Australia and New Zealand, the main producing countries, are at the highest ever levels.

The Board intends to continue to broaden the base of the group's profits and to take all the steps to smooth out the fluctuations in profitability that go with being an international meat trader and processor. The long-term growth prospects remain good, and subject to no combination arising of exceptional factors, the Board views the current year with cautious optimism. Holders of over 94 per cent of the shares of Midland Cattle Products have accepted the recommended cash offer by Borthwick. The offer has become unconditional and remains open.

Acceptances have been received for 4,955,358 shares and Borthwick intends to acquire compulsorily the outstanding shares.

Net asset value, after dividend payment increased to 22.4p (20.6p) per share.

Borthwick has beaten its prospectus forecast by 11 per cent

pre-tax, and the dividend is 15 per cent higher than anticipated, fully vindicating the recent strength in the share price, which at 68p yesterday was equal to the first day's dealings in early August, since when the market overall has fallen an eighth. Sterling's weakness has obviously given some boost to the figures, but as an average is taken for the year for the purposes of conversion the impact on the profits is not that much more than foreseen at the time of the prospectus. However, there will be a further boost to the figures. But the real point for 1978-79 is that the underlying trading pattern is not looking any better than that of last year.

Falling U.K. meat consumption and higher livestock prices are squeezing margins, while in the world markets Borthwick faces voluntary restraint in the U.S., quotas in Japan and import bans into the EEC. A happier note is that the success of the Midland cattle acquisition will help offset the group's more traditional volatility, and ease the group's ACT liability. On a full-year basis the yield is 14.9 per cent, while the p/e on earnings of 15.5p is 4.2.

Investment Trust up at halfway

Gross income at Investment Trust Corporation for the six months to November 1, 1978, grew from £1.9m. to £2.1m. on deposit interest and underwriting commission of £54,925 (£38,057).

After tax of £648,504 (£568,000) and expenses net revenue increased to £242,368 to £261,358, from £4.2m. to £4.3m. at September 30, and a new dividend, interim dividend, which has been increased to remove the disparity with the final, was 1.82p (1.43p) net per 25p share. Last year's total was 4.54p.

Net asset value, after dividend payment increased to 22.4p (20.6p) per share.

Net asset value, after dividend payment increased to 22.4p (20.6p) per share.

Substantial progress for Norwest Holst

FIRST HALF profits of civil engineering and building contractors Norwest Holst rose substantially from £458,000 to £1.63m. And for the second half the directors are looking for a similar figure, which would give £3.26m. for the year to March 31, 1977, against £2.31m. achieved in 1976-77.

Earnings for the half year are shown at 7.5p (1.6p) basic and 5.9p fully diluted. Interim dividends are resumed with a declaration of 2p gross, and a total of 8.25p is forecast for the year, compared with 5.83p.

1978	1977
Turnover	2,000
Profit before tax	1,630
Taxation	1,172
Net profit	458
Minority	0
Available	458

Chief executive Mr. E. Brian says the results reflect the considerable improvement of the group's control systems and the re-organisation of management. The acquisition of P.C. Construction is expected to contribute significantly to future success, although nothing is included in the interim results.

Mr. Brian is confident that the growing momentum in the group will ensure its successful future both in the U.K. and overseas. The recently announced Government cutbacks will fall mainly on road programmes, hospitals and schools, "on which we have little dependence". The company has anticipated the downturn in demand for new houses, and has sold some of its land bank and switched those resources into other enterprises.

Net borrowings were reduced from £4.2m. to £3.1m. at September 30, and a new dividend, interim dividend, which has been increased to remove the disparity with the final, was 1.82p (1.43p) net per 25p share. Last year's total was 4.54p.

Net asset value, after dividend payment increased to 22.4p (20.6p) per share.

fruition of the internal reorganisation rather than organic growth. In fact volume has been virtually at a standstill and the picture is likely to continue. This must create a problem for next year, when the reorganisation effects will be negligible and housing is likely to be 25 per cent down on this year's forecast 330 units. So far this year gains have been made by cost cutting to improve margins and by virtual elimination of borrowings. This makes the estimate of repeat profits in the second half seem conservative. Considering that interest charges will probably be no more than £100,000 there will be a £200,000 contribution from the new acquisition, P.C. Construction, to the £3.26m. forecast. This forecast suggests a p/e of 4.6 on a share price of 66p and the promised dividend would yield 11.4 per cent.

1978	1977
Turnover	2,000
Profit before tax	1,630
Taxation	1,172
Net profit	458
Minority	0
Available	458

Statement Page 27

James H. Dennis advance

ON TURNOVER increased from £4.1m. to £4.8m. pre-tax profit of James H. Dennis and Company, engineers, for the year to August 31, 1978, rose from £357,917 to £382,502. At half-time profits fell from £180,000 to £100,000. Stated earnings are 6.8p against 6.78p per 10p share. The final dividend of 1.2645p net lifts the total from 1.9685p (after adjusting for rights issue) to 3.2329p per share.

Tax for the year was £217,265 (£164,712), and there was a surplus on foreign exchange conversion of £13,542 (£46,507).

Net asset value, after dividend payment increased to 22.4p (20.6p) per share.

Net asset value, after dividend payment increased to 22.4p (20.6p) per share.

of £47,550 last time for all 1975 there was a deficit of £2,617 and the dividend was 4.5p net. The directors say they are not optimistic in respect of trading for the current six months and are seriously pursuing the possibility of withdrawing completely from the financial services field of operations which would have the immediate and positive effect of reducing overheads.

Lamont Financial Services was responsible for the greater part of the first half loss. The planned investment of this division was seriously affected by the events reported in the chairman's last annual statement and the present climate in the investment market does not indicate an improvement in this division at least in the short-term.

The engineering companies expanded their order book but it was not possible to bring the Edinburgh-based company into profit. The present unstable economic climate is tending to indicate a falling off in order intake which the directors hope may be partly offset by developing exports.

Lamont Life Assurance contributed a profit while the property division showed a not unexpected small loss as interest arising on capital invested in development projects continues to be written off against income. The Board will review this policy at the year-end. The principal extraordinary item was the writing-off of losses on investments undertaken in the early months of this year ultimately amounting to £90,000 and a credit in respect of a sale of a trade mark to a Swedish company for £35,665.

Net asset value, after dividend payment increased to 22.4p (20.6p) per share.

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INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets less current liabilities	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges at nominal value (6)	Net Asset Value after deducting prior charges at market value (7)	Investment Currency Premium (see note g) (8)	Total Assets less current liabilities	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges at nominal value (6)	Net Asset Value after deducting prior charges at market value (7)	Investment Currency Premium (see note g) (8)
£million								£million							
Pence except where stated (see note d)															
117.5	VALUATION MONTHLY	Ord. Stock 25p	29/10/78	3.35	214.3	22.1	18.4	108.2	Henderson Administration Ltd.	Ord. & "B" Ord. 25p	29/10/78	1.65	27.7	85.0	74.0
20.0	Alliance Trust	Ord. & "B" Ord. 25p	29/10/78	2.75	122.6	19.0	18.3	118.2	Whitson Investment	Ordinary 25p	29/10/78	1.1	82.5	84.4	4.6
6.1	Capital & National Trust	Ordinary 25p	31/10/78	2.6	64.6	64.6	4.6	4.6	Electric & General Investment	Ordinary 25p	29/10/78	1.0	85.5	86.5	1.6
64.6	Claverhouse Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Manx Investment	Ordinary 25p	29/10/78	1.03	72.7	84.5	11.1
6.5	Crossroads Trust	Ordinary 25p	31/10/78	3.8	50.9	50.9	4.6	4.6	Northland Investment	Ordinary 25p	29/10/78	1.03	72.7	45.4	2.2
6.5	Direct Spanish Telegraph	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Scottish Investment	Ordinary 25p	29/10/78	1.5	26.3	28.2	2.2
6.5	Dundee & London Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Scottish National Investment Co.	Preferred 25p	29/10/78	1.1	30.4	37.9	-
6.5	Edinburgh Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Deferred 25p	29/10/78	3.3	291.5	97.9	13.7	
6.	First Scottish American Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	City & International Trust	Ordinary 25p	31/10/78	3.85	232.2	134.2	17.3
6.5	Grange Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	General & Commercial Inv. Trust	Ordinary 25p	31/10/78	2.5	476.3	80.1	10.1
6.5	Great Northern Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	General Cons. Investment Trust	Ordinary 25p	31/10/78	3.75	144.1	150.7	10.1
46.4	Guardian Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Philip Hill Investment Trust	Ordinary 25p	31/10/78	2.35	22.5	36.3	38.6
48.8	Investment Trust Corporation	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	29/10/78	1.6	65.1	70.0	10.4
74.9	Investors Capital Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	British Assets Trust	Ordinary 25p	29/10/78	0.75	100.7	104.3	10.1
72.9	Jardine Japan Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Edinburgh American Assets Trust	Ordinary 25p	29/10/78	0.75	100.7	104.3	10.1
26.7	London & Holyrood Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Athletic Assets Trust	Ordinary 25p	29/10/78	0.75	100.7	104.3	10.1
26.7	London & Montrose Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Viking Resources Trust	Ordinary 25p	29/10/78	0.75	100.7	104.3	10.1
37.2	London & Provincial Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Leopold Joseph & Sons Ltd.	Ordinary 50p	29/10/78	1.0	36.1	44.7	-
53.0	Mercantile Investment Trust	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Anglo-Welsh Investment Trust	Ordinary 25p	29/10/78	1.25	27.0	66.5	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Leopold Joseph Investment Trust	Ordinary 25p	29/10/78	2.4	46.0	33.1	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Thames Investment Trust	Ordinary 25p	29/10/78	3.625	41.7	46.3	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Keyser Ulman	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Throgmorton Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Throgmorton Secured Growth Tr.	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Lazard Bros. & Co. Ltd.	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Embankment Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Reeburn Investment Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Romney Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Martin Currie & Co. C.A.	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Canadian & Foreign Invest. Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	St. Andrew Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Scottish Eastern Investment Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Scottish Eastern Investment Trust	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Scottish Ontario Investment Co.	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Securities Trust of Scotland	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Western Canada Investment Co.	Ordinary 25p	31/10/78	1.1	73.2	-	-
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Murray Johnstone Ltd.	Ord. & "B" Ord. 25p	29/10/78	1.4	479.4	44.7	15.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Caledonian Trust	Ord. & "B" Ord. 25p	29/10/78	1.45	78.4	70.8	15.0
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Glenhead Investment Trust	Ord. & "B" Ord. 25p	29/10/78	1.4	95.0	10.1	16.3
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	29/10/78	1.35	75.7	73.7	13.5
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Glenmurray Investment Trust	Ordinary 25p	29/10/78	1.35	75.7	73.7	13.5
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Scottish Western Investment	Ord. & "B" Ord. 25p	29/10/78	1.8	34.5	100.3	18.2
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Scottish Western Investment	Ord. & "B" Ord. 25p	29/10/78	1.8	34.5	100.3	18.2
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	29/10/78	1.8	34.5	100.3	18.2
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Naydale Ltd.	Ord. & "B" Ord. 25p	29/10/78	1.8	34.5	100.3	18.2
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Slimside Investment Co.	Ordinary 25p	29/10/78	1.8	34.5	100.3	18.2
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Schroder Wage Group	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Sheddown Investment Trust	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Broadstone Investment Trust	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
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6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary 25p	31/10/78	0.05	413.3	143.3	21.6
6.5	Do. Do.	Ordinary 25p	29/10/78	3.8	50.9	50.9	4.6	4.6	Do. Do.	Ordinary					

Martonair

PROMISING START
TO CURRENT YEAR

Mr. George Godwin reports:

- * Incoming orders and turnover remained at a low level during the first half of the year under review, reflecting the general trade recession in world markets. The consequent under-utilisation of our productive capacity inevitably resulted in higher operating costs, so that trading profit, before taxation, decreased to £2,186,193 as compared with £2,879,328 in the previous year.
- * A final Ordinary dividend of 1.924p per share is proposed for payment on 5th January, 1977, making a total Ordinary dividend of 3.367p for the year. After taking into account the scrip issue made in January 1976, this represents an increase of 10 per cent the maximum permitted, on last year's rate of dividend.
- * Group turnover increased from £18,808,815 to £19,224,946, of which nearly 77 per cent was in respect of direct exports from the U.K. and sales by overseas subsidiaries.
- * Group turnover and sales in the first three months of the current year are well above the level of the corresponding period last year and, in the absence of unforeseen circumstances, we expect to make substantial progress in the coming months towards a return to the record results achieved in the year to July 1975.

MARTONAIR INTERNATIONAL
LIMITED

Manufacturers of pneumatic control equipment

London and Northern
Group LimitedInterim Results—
Half-year to 30 June 1976

- * Profits before tax and minorities up from £4.9m to £5.2m.
- * Full year's profits and earnings per share expected to exceed 1975.
- * Borrowings position:

	31.12.75	31.10.76
Short term (net)	£28.6m	£16.5m
Deferred	3.9m	5.9m
	£32.5m	£22.5m

- * Greatly improved liquidity expected to be maintained or bettered.
- * Interim Dividend for 1976 maintained at 7.69p (total dividend for 1975 20p).
- * Group has reasonable workload for 1977 and its spread of interests overseas and throughout the United Kingdom should assure continued satisfactory trading.

Further information on this matter may be obtained from the Secretary, London and Northern Group Limited, 100, Strand, London WC2R 0JH.



The Bank of Tokyo, Ltd.

U.S. \$40,000,000 Floating Rate
Notes due 1980For the six months:
November 19th, 1976 to May 19th, 1977
the Notes will carry an
interest rate of 8% per annum.

Listed on the Luxembourg Stock Exchange.

By: Morgan Guaranty Trust Company of New York, London
Agent Bank

MINING NEWS

Autumn double from
Selection Trust

BY KENNETH MARSTON, MINING EDITOR

VIRTUALLY doubled turnover and earnings for the last six months to September 30, are reported by London's Selection Trust mining finance group. Net profits for the period of £3.9m, equal to 13.5p per share, compare with £2.0m, a year ago and the total for the full year to last March of £4.07m.

The latest interim dividend is unchanged at 5p net, but it is being paid on a capital increased by 3.9m shares to 28m. Shares as a result of the £20m rights issue made earlier this year and the subsequent cash and share offer for the Alexander Shand (Holdings) UK contract coal mining and civil engineering group.

Major contributions to the latest increase in earnings will have come from the Shand group, the stake in the 100% North Sea gas operation and the better performance achieved by the Amari metal stockholding business and the Mount Newman iron ore operation in Western Australia. But the net effect of the fall in sterling on pre-tax profits of Selection Trust is stated to have been minimal.

No dividends were received from the holding in the Tsumeb base-metal operation in South-West Africa or the Ghana and Sierra Leone diamond interests. It is possible that some revenue from these sources may accrue in the current half-year but there is no major new factor to suggest that overall earnings of the group will be much different from those of the first half.

At the same time, there is clearly scope for further increase in the final dividend, subject to UK dividend restriction requirements. Meanwhile, Selection Trust is well placed for the future with two new mining ventures, (Agnar) in Western Australia and the Canadian Detour copper-zinc-silver-gold prospect and must have high hopes of its exploration with MCM Holdings at the Teutonic Bore copper-zinc-silver and in Western Australia. Selection Trust rose 5p to 395p yesterday.

WMC has big
copper find

A LARGE copper deposit in a previously unexplored area of central South Australia has been found by the Melbourne group, Western Mining. The discovery is near the opal mining centre of Andamooka on the Olympic Dam prospect close to the Roby Downs Station.

Our Sydney correspondent reports that the Western Mining chairman, Mr. Arvi Parbo, told shareholders at yesterday's meeting, "It is clear that a very large body of copper mineralisation has been discovered, but a great deal more drilling will be necessary to establish the extent and grade of the occurrence."

So far eight vertical diamond drill holes have been completed at widely spaced intervals, and Mr. Parbo said, "The rock types and nature of the mineralisation are sufficiently similar to suggest continuity of the mineralisation." Among the intersections was one of 62 metres, grading a modest 1.01 per cent copper and another of 38 metres grading 2.41 per cent copper. Within the latter there was a section of 16 metres at 3.42 per cent, and another of 10

metres at 4.88 per cent. The mineralisation was found at depths of around 350 metres.

Western Mining's main operations have been focused on nickel and Mr. Parbo said that stocks at the end of June were more than twice normal requirements, but the policy of financing them would continue "to the extent financial resources permit."

He disclosed that the company was planning to start uranium production from Yeelrie in Western Australia at a rate of between 2000 and 3000 tonnes of uranium oxide a year in the 1980s. But Mr. Parbo is waiting for the recommendations of the Fuel Commission like the rest of the industry. The shares were 145p yesterday.

Randsel
setback

LOWER net earnings of R87.6m (£26.3m) for the year to Sept. 30 are reported by Randsel Selection, the Anglo American Corporation group's major investment company. The 1974-75 total of R48.1m covered only six months' results of South African Townships.

Randsel Selection is declaring a final of 35 cents (£3.5p) to make a total of 65 cents, out of earnings of 89.1 cents per share. The previous year's total was 75 cents. On the latest occasion Randsel has been set aside against the investment in the currently suspended Tenke-Fungurume copper venture in Zaïre.

During the past year Randsel Selection's gold mining dividend income has fallen; prospecting costs have risen; increased provision has been made against the fall in the general value of investments; and less dividend revenue has been received from the assurance interests which have retained a greater proportion of their surpluses for the financing of new business in view of the prevailing difficult financial conditions.

At this early stage in the current financial year it is difficult to attempt any earnings forecasts. But a further fall in gold prices seems to be inevitable, unless there is a major upswing in the bullion price while the insurance interests seem unlikely at the moment to alter their conservative attitude to dividend distributions. The shares were 450p yesterday.

PEACE RETURNS
TO IMPALA

Peaceful conditions have returned to the Witwatersrand mine of the Union Corporation's Impala Platinum following fighting which caused the death of nine black employees at the week-end. The company states that there has been "a rapid return to normal."

About 2,300 men reported for work at the morning shift yesterday, but the full complement is some 4,000 men. On Wednesday it was reported that about 1,000 men had walked out of the mine, in defiance of their service agree-

MIM's mixed
fortunes

THE FALL in metal prices over recent weeks has damaged hopes at Australia's MIM Holdings, of breaking out of what the chairman, Sir James Fooks, calls the "three-year down-trend" in earnings. He told the annual general meeting, "I do not have the confidence to make a forecast of this year's earnings based on the results for the first quarter."

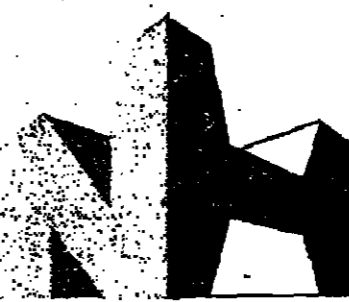
There was a sharp recovery in the three months to September 28 when net profits were \$11.1m (£2.25m) against \$4.00m, in the same period of 1975. Earnings for the whole of the 1975-76 year were \$22.8m.

Sir James said, "The trend in the lead price has weakened and the price of copper has declined dramatically. Compared with the Australian price of \$1,320 a tonne at June 30, the present copper price is \$1,020 (£755)."

MIM's fortunes are mixed, according to Sir James. He is worried about taxes and costs. Rail freight is increasing and the cost of moving copper from Mount Isa to Townsville is now more than the cost of moving it from Townsville to Europe. Mount Isa and the Townsville refineries are about 300 miles apart as the crow flies. The Queensland mineral royalty allows no compensation for higher costs of production.

On the plus side, the performance of the MIM workforce in 1976 "was better than ever" and there was an encouraging upward trend in productivity. Further the Federal Government recognises the industry's position on tax matters.

MIM is finding investment opportunities in Western Australia. Sir James listed the co-ahead for the Agnew nickel project, involvement in the Mount Goldworthy iron ore project and the copper-zinc discovery at Teutonic Bore. MIM were 205p yesterday.



Norwest Holst

Interim Results-Continued Progress

- Profits of £1.6 million pre-tax for the half year ended 30th September 1976.
- Dividend forecast of 25% gross for full year (15.56%); interim payment of 8% gross (nil).
- Net borrowings now down to £0.5 million: cash in hand over £4 million.
- Acquisition of F.C. Construction (Holdings) Ltd. successfully achieved.
- Confident outlook for both U.K. and overseas activity.

"These interim results confirm the progress being made by the Group towards greater efficiency for the benefit of clients and of all those who are involved with our business. The acquisition of F.C. Construction has added to our strength and I expect it will contribute significantly to our future success, although no profit has been taken in this first half year. Our sustained order book is consistent with our policy of maintaining standards, both as regards quality of work and of reward for our investment and efforts. Second half results should be approximately the same as the first half, subject as always to any marked change in the economy due to Government policies. I am confident that the growing momentum in the Norwest Holst Group will ensure its successful future."

Ted Brian, Chief Executive
on behalf of the Norwest Holst Board

Copies of the interim report may be obtained from the Group Secretary, Norwest Holst Limited, 35 Chesham Place, London SW1X 8HB. Telephone: 01-235 9951.

Banque Nationale de Paris

Now in business
in Norway

A Representative Office of BNP in Oslo was officially opened on Monday, 15th November, by M. Pierre Ledoux, Président of the BNP, who was accompanied by M. François Hecker, Executive Vice-President.

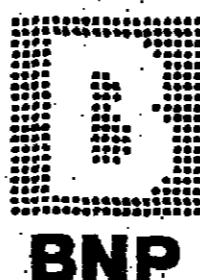
On this occasion, M. Ledoux met a number of the leading figures in Norway's economy and finance, among whom special mention should be made of Mr. Per Kleppe, Finance Minister. The inauguration took place in the presence of His Excellency, M. Philippe Koenig, French Ambassador to Norway, and the Governor of the Bank of Norway, Mr. Knut Getz-Wold, was also present.

The Representative Office of BNP in Oslo will assist clients in their relations with Norwegian and multinational companies as well as with local economic and financial authorities. It is also in a position to give them useful advice in their search for outlets in Norway, and to follow through projects which are under examination or being carried out, particularly in the field of financing North Sea projects.

The Representative Office, managed by M. Jean-Louis Coutanceau, is situated at:

27 Karl Johans Gate, Oslo.

Tel: 33 26 00 Telex: 17 145 BNP N

Banque Nationale
de Paris

Head Office

16 Boulevard des Italiens
Paris 75009
Tel: 523-55-00
Telex: 280 605

UK Subsidiary

Banque Nationale de Paris Limited
Plantation House
10-15 Mincing Lane
London EC3P 3ER
Tel: 626 5678

Battle at Sime
Darby meeting

A major confrontation between the British directors of Sime Darby and Pemas, the Malaysian State-owned concern, over control of the management of the company, erupted at a certain annual meeting in Kuala Lumpur to-day unless Sime Darby's chairman, Mr. James Bywater, succeeds in last minute efforts to strike a compromise. Pemas is thought to own at least 1 per cent of Sime Darby and to be in a position to influence even more votes.

Mr. Bywater met the Governor of Malaysia's central bank, Mr. Tan Sri Ismail Ali yesterday, and had further talks with Mr. Junus Nudin, the chairman of Pemas Securities, in an attempt to persuade them to drop their efforts to get three new directors voted on to the Sime Darby Board.

Rothmans Nominees, an associate company of City Bumiputra, and in which City

merchant bankers N. M. Rothschild and Sons has an interest, has forwarded the resolution nominating three prominent South-East Asian business personalities.

If the resolution is pushed through, there will be seven non-British directors in the 12-member Board, a move that is widely regarded as the first step by Malaysian shareholders to gain control of Sime Darby.

Over the past few days, both sides have been engaged in an intensive search for proxy votes to boost their positions. And in this, the votes of the Overseas Chinese Banking Corporation may prove crucial. But the Singapore-based bank and its affiliates, which hold some 10 to 12 per cent of the shares, is in the position of having to decide on whether or not to support the British management in Sime.

Without giving offence to the Malaysian authorities.

This advertisement complies with the requirements of the Council of The Stock Exchange of The United Kingdom and the Republic of Ireland.

Province of Nova Scotia
(Canada)

Can. \$30,000,000 9 per cent Debentures 1983
Issue Price 100 per cent

Wood Gundy Limited

Amsterdam-Rotterdam Bank N.V.

Deutsche Bank Aktiengesellschaft

Swiss Bank Corporation (Overseas) Limited

Union Bank of Switzerland (Securities) Limited

A. E. Ames & Co. Limited

The \$30,000 Debentures of Can. \$1,000 each constituting the above issue have been admitted to the Official List. Interest is payable annually on 15th December, the first payment being made on 15th December, 1977. Particulars of the Debentures are available in the statistical services of Exel Statistical Services Limited and copies may be obtained during business hours up to and including Friday, 3rd December, 1976 from:

Wood Gundy Limited
20 Finsbury Square
London, EC2A 1SB

R. Nivison & Co.
25 Austin Friars
London, EC2N 2JB

BIDS AND DEALS

Booker offers £10.75m. cash for Kinloch

Booker McConnell, whose interests range from engineering to food, agriculture and shipping, is hoping to expand its food and food distribution interests through a £10m takeover bid for Kinloch (Provision Merchants). The offer—200p cash per share—is not agreed but is conditional on the support of the Kinloch Board. Booker already has an 8.65 per cent stake in Kinloch.

News of the offer came well after market hours. The shares of Kinloch had closed 3p higher at 155p on 18 November. Booker ended up at 107p. Booker confirmed that the bid was hurried out after it had been advised that there had been "unfavourable" reaction in the Kinloch share price. Booker has apparently been interested in this situation for some months.

The acquisition is seen as being particularly attractive because Kinloch's strength is in the oilfield, where Booker is strongest in cash and carry. The acquisition, it is estimated, would add a geographical basis.

Kinloch has a good record of growth. Its earnings have risen from £14,000 in 1966 to £2.1m for the year ending October 1975. The group expects that figure to be beaten this year. Net tangible assets of Kinloch at October 25, 1975, were £4.8m. Although the Kinloch directors estimated that freehold and leasehold properties exceeded balance sheet values by some £1m.

The cash consideration will be met out of Booker's own resources plus the use of an unutilised £5m loan facility.

The latest bid is Booker's second this month. It made a surprise £2.1m bid for Central

Wagon, an engineering and steel stockholding group.

See Lex

CHARTERHALL FINANCE

Charterhall Finance Holdings has agreed with Norminol A S of Antwerp, Norway, to acquire, subject to the approval of the relevant authorities, Norminol (U.K.) for some £250,000 cash. Norminol (U.K.) is directly concerned in exploration in U.K. off-shore areas and its main asset is a one-third of one per cent. working interest in licence P241, covering Blocks 21.1 and 21.2 North Sea. The Buchanan Field is located in Block 21.1. Norminol A S has agreed to provide Charterhall with advisers services in respect of these interests. Norminol (U.K.) is not expected to produce revenue until the Buchanan Field is brought to production.

LONRHO OFFER FOR L.C. AND W. PREF.

Lonrho said yesterday that it intends to make an offer for the Preference capital of London City and West End Properties at the same time as the 25p cash offer announced last week for the ordinary shares. It does not already own.

The Preference offer will be 35p cash for each 42 per cent. net (formerly 6 per cent. gross) 21 share. Lonrho does not own any Preference shares.

The formal offer will be contained in the documents to be issued by Keyser Ullmann for Lonrho as soon as possible. The executive directors of L.C. and W. issued a similar holding statement on the Preference share offer as they had on the Ordinary offer.

Advised by Barclays Merchant

Bank, the executive directors advise shareholders to take no action in respect of either offer. Having seen the offer documents, they will write to shareholders when they have been "able to consider the adequacy of the offer in relation to the value of the asset."

CRANE'S SCREW SAYS ACCEPT

The directors of Crane's Screw (Holdings), having again sought the advice of their stockbroker, Albert E. Sharp, regarding the offer by Armstrong Equipment, are advised that the offer is fair and reasonable. Taking all factors into account the directors are of the same opinion and therefore advise both Ordinary and Preference shareholders to accept. Mr. Evans (a director) has already given an irrevocable undertaking to accept the cash offer in respect of his holding of 32,100 Ordinary shares and intends to accept in respect of his holding of 200 Preference. All the other directors intend to accept the cash offer in respect of 476,553 Ordinary shares (19.1 per cent. of the enlarged Ordinary capital).

RIT SALE

Rothschild Investment Trust has reached agreement with N.V. Beleggingsmaatschappij Lontjho, a quoted Dutch property company, for Worldwide to acquire the capital of RIT's subsidiary, RIT Dutch Properties Holding B.V. and all Holdings wholly-owned subsidiaries owning the balance of RIT's European property portfolio with the exception of 72 Rue Rezaoui, Paris.

A contract has been signed which, subject to necessary consents, is expected to be completed on December 13. Consideration is £15.8m. cash.

£2.82m. upsurge at Intl. Paint

COURTAULDS SUBSIDIARY International Paint reports an advance in pre-tax profit for the half year to September 30, 1976, from £7.04m. to £9.86m. on sales up from £78.22m. to £106.48m. The profit is struck after interest cut from £320,000 to £76,000. Tax for the half year was £4.06m. (£2.74m.), leaving £5.81m. (£4.3m.).

Interim dividend is lifted from 2.55p to 2.75p net per 10p share. Total last year was 8.86p from profits of £15.32m.

The directors state that costs are expected to increase further in the second half. The company's cash position weakened slightly in the face of markedly higher working capital requirements.

comment

Overseas sales have once again provided the main impetus behind International Paint's profits growth. The interim pre-tax level has jumped by roughly two-fifths on a 34 per cent. rise in sales. Moreover, even in the U.K. the main boost has come from export sales which account for about 36 per cent. of some production. There are signs in the second half that upturn is beginning to falter. Among the group's overseas markets Australasia, Canada and Brazil are becoming increasingly sluggish and, with material costs keeping

(£1.64m.), plus an amount reflecting the consolidated net current assets of Holdings as at September 30. After deducting expenses RIT stated that the price will represent a small surplus over RIT's book value.

BIRMINGHAM AND MIDLAND

Birmingham and Midland Counties Trust has placed its 15 per cent. £1m. Westland and Country Properties, which it acquired from F&N as a "long term investment" and its representative Mr. G. Ferguson Lacey has resigned from the Board.

LAMPAS SECS.

The offer by Q. S. T. Industrial for Lampas Securities has lapsed. Q.S.T.'s total holding is 28.45 per cent of Lampas's capital.

margins under heavy pressure, second half profits are unlikely to equal those of the first. All the same, the group should still make around £18m. pre-tax for the year and this would cover the maximum dividend yielding a prospective 5.5 per cent. at 25p, almost 7½ times.

Turnover was down at £4.14m. (£4.64m.). Earnings per 10p share, before extraordinary credits of £11.936 (debits £253,689), were lower at 1.78p (£2.79p).

The final dividend is 0.13p net per 10p share, making a total of 0.83p. No dividend was paid in the last two years.

The directors state that the fall in profits was accounted for by the poor performance of the caravans and components division due to industrial action but, the setbacks aside, the group is in the process of achieving substantial growth, particularly on the electronics side where a large proportion of sales is overseas.

Delays in launching a new infra-red intruder detector affected the year's results in the electronics division where profit was little changed at £97,000 (£93,000). These problems have now been overcome.

The property division improved its return with profits up at £176,000 (£135,000).

1976 1975
Turnover 4,142,281 4,640,220
Operating profit 253,689 279,387
Interest 21,000 21,000
Taxation 120,578 120,578
Net profit 102,103 158,829
Dividend 1,780 0
Reserves 100,323 158,829
Less: Capital reserve 11,936 11,936
Retained 88,387 146,893

Peak Investments has turned in a reduced profit of £150,578 for the year ended May 31, 1976, against £223,370.

Investments from Peak Investments has turned in a reduced profit of £150,578 for the year ended May 31, 1976, against £223,370.

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N.V. PHILIPS' GLOEILAMPENFABRIEKEN
Eindhoven - The Netherlands

The Board of Management hereby gives notice to the shareholders of the Company that an

EXTRAORDINARY GENERAL MEETING

will be held on Friday, 10 December 1976, at 2.30 p.m. at the "Philips Ontspannings Centrum" in Eindhoven

Shareholders of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken are admitted to this meeting.

AGENDA

1. Opening.
2. Proposal of the Supervisory Board and of the Board of Management to elect Mr. F. F. Otten to the Board of Management as from 1 January 1977.
3. Any other business.
4. Conclusion.

Shareholders of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken, who wish to attend this meeting, must comply with the indications mentioned in the simultaneously published notice convening an extraordinary general meeting of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken.

Eindhoven, 19th November 1976

N.V. GEMEENSCHAPPELIJK
BEZIT VAN ANDEELEN
PHILIPS' GLOEILAMPENFABRIEKEN

(Philips Lamps Holding)

Eindhoven - The Netherlands

The Chairman of the Board of Management hereby gives notice to the shareholders of the Company that an

EXTRAORDINARY GENERAL MEETING

will be held on Friday, 10 December 1976, at the "Philips Ontspannings Centrum" in Eindhoven to be held following the meeting of shareholders of N.V. Philips' Gloeilampenfabrieken

AGENDA

1. Opening.
2. Proposal to elect a member of the Board of Management, with effect from 10 December 1976. The nominations put forward by the Meeting of Priority Shareholders are:
 1. Mr. N. Rodenburg.
 2. Mr. D. Noordhoff.
3. Any other business.
4. Conclusion.

Shareholders (except for holders of shares registered in their name in the New York Register, to whom the arrangement mentioned under B applies), who (in person or by proxy) wish to attend the meeting, to address it and exercise their voting right, must deposit their shares, or letter of confirmation as referred to in Article 8 of the Articles of Association, in exchange for a receipt serving for admission to the meeting, not later than Friday, 3 December 1976.

A. in the Netherlands:
at the Amsterdam-Rotterdam Bank N.V. in Amsterdam, Herengracht 397, in Rotterdam, Colesingel 118, or in the Hague, Kapteijndijk 8, or at the office of the Company in Eindhoven, Pieter Zeemanstraat 6.
in the United Kingdom:
at Hill Samuel and Co. Ltd., 45 Beech Street, London EC3P 2LX.
in other countries:
at the banks designated for such purpose. Further particulars can be obtained from Hill Samuel and Co. Limited, London.

B. Holders of shares registered in their name in the New York Register who wish to attend the meeting and to exercise their voting rights either in person or by proxy, should give written notice to that effect to the Company not later than Friday 3 December 1976, at the office of the Bankers Trust Company, Special Operations, 485 Lexington Avenue, 3rd Floor, New York, N.Y. 10017.

Eindhoven, 19th November 1976

Ultramar

Company Limited

Group results for the nine months to 30th September 1976

CONSOLIDATED FINANCIAL RESULTS	First Nine Months 1976	First Nine Months 1975	Year 1975
Sales	£300,563	£189,000	£275,344
Profit on trading	16,585	22,036	28,740
Amortisation, depreciation, depletion and amounts written off	5,467	6,199	8,647
Profit before taxation	11,118	15,837	20,093
Taxation on profit for the period			
Current	2,453	4,271	5,062
Deferred	1,170	494	1,092
	3,623	4,765	6,154
Net earnings for the period	7,495	11,072	13,939
Deduct: Convertible Redeemable Preferred Shares dividend	452	—	—
Earnings for the period attributable to Ordinary Shareholders	£7,043	£11,072	£13,939
Cash flow from operations	£14,132	£17,765	£23,158
Earnings per Ordinary Share	19.4p	29.7p	37.4p
Fully diluted earnings per Ordinary Share	18.1p	Not applicable	—

Notes:

1. Group earnings are very largely in U.S. and Canadian dollars which for the nine months to 30th September 1976 have been translated into sterling at U.S. \$1.57 and Canadian \$1.62 to £1. The comparative figures for the nine months to 30th September 1975 give the exchange rates adopted for the 1975 whole year Group accounts i.e. U.S. \$2.02 and Canadian \$2.05 to £1.
2. Included in the first nine months 1975 results were £2,640,000 profit before taxation, £1,754,000 taxation and £886,000 earnings, all in respect of operations in Venezuela which ceased at the end of 1975.
3. The results for the nine months to 30th September 1976 reflect the modifications, effective from 1st January 1976, to the Indonesian Production Sharing Contract which are described in the section of this report dealing with Indonesia. If the results for the first half of 1976 had been prepared on the basis of the new Production Sharing Contract, Group Profit before taxation would have been £7,100,000 and net earnings £5,150,000, compared with the figures previously reported of £5,063,000 and £4,062,000 respectively.

Financial Results

Good results continue to be achieved in the California and Newfoundland divisions and in the Indonesian oil producing operations. Eastern Canadian operations, however, have continued at depressed levels though there have been some improvements in margins starting in September. In the U.K. depressed prices continued throughout the nine months.

The fourth quarter is expected to be relatively strong. Based on present exchange rates the net earnings for the second half should be better than those of the first half (£5,150,000).

Iran

The Group's second exploratory well in the service contract area of South Western Iran was drilled to approximately 11,500 feet where mechanical difficulties were encountered. Remedial action is being carried out.

U.K. Sector North Sea

Following the Renee discovery well in Block 15/27 a second well has been drilled on a separate structure and abandoned. Further exploration drilling is planned in this Block when studies of a recent detailed seismic programme have been completed. Engineering studies in connection with the development of the Maureen Field in Block 16/29 continue.

The Group has a 6% interest in these Blocks.

Indonesia

The Group's 55% share of oil production from the East Kalimantan Contract Area averaged 4,587 barrels per day for the nine months. Gas deliveries from the LNG plant are expected to start in the second half of 1977.

Recently, the Indonesian Government requested a change in the Production Sharing Contracts to give the Government and Pertamina, the Indonesian State oil company, a greater participation in the revenues derived from production. At the same time, it had become important that the contracts be revised because the Internal Revenue Service of the U.S.A. was taking the position that the Indonesian share of production was, in substance, a royalty and not eligible for foreign tax credit. Agreement has now been reached with Pertamina on modifications to the contracts effective from 1st January 1976. In so far as the East Kalimantan contract area is concerned, the changes are:

CONSOLIDATED STATEMENT OF
SOURCE AND APPLICATION
OF FUNDS

	First Nine Months 1976	First Nine Months 1975
Source of funds		
From operations:		
Net earnings for the period	7,495	11,072
Amortisation, depreciation, depletion and amounts written off	5,467	6,199
Deferred taxation	1,170	494
	14,132	17,765
Ordinary Shares issued during the period	—	—
Rights issue of £15,322,772 7/8, Convertible Redeemable Preferred Shares	15,323	—
Less: Expenses related to the issue	630	—
	14,693	—
Loans raised	35,012	30,299
Less: Loans repaid	18,972	4,737
	16,040	25,562
Disposals of fixed assets	1,340	467
Decrease in long-term receivables	449	(41)
Exchange differences arising through currency realignments	3,450	1,915
Miscellaneous items	303	(197)
	£50,407	£45,471
Application of funds		
Acquisition of subsidiary companies	—	207
Additions to fixed assets	25,717	25,820
Convertible Redeemable Preferred Shares dividend	452	—
Add: Advance Corporation Tax	243	—
	26,412	25,820
Increase in working capital	23,995	19,444
	£50,407	£45,471
Working capital at end of period	£62,961	£44,333

OPERATING RESULTS

	First Nine Months 1976	First Nine Months 1975
Sales of oil (barrels per day)	146,600	135,000
Oil refined (barrels per day)	93,300	78,300
Oil produced (barrels per day)	6,500	10,500
Oil produced (thousands of cubic feet per day)	6,700	4,000
Gross wells drilled	33	30
Oil and gas wells completed (in which the Group has varying interests)	17	16
Oil produced in the first nine months 1975 included 5,300 barrels per day in Venezuela.		

1. The provision for cost recovery out of 40% of production is replaced and capital costs will now be recovered out of revenue over a 14 year period at the rate of one-seventh of the declining balance moving to a straight line depreciation in the final years.
2. Current non-capital costs, which include intangible drilling costs, will be recovered out of revenue in the year incurred and past accrued non-capital costs will be recovered over a 10 year period with 8% p.a. interest allowed on the unrecovered balance.
3. Profits remaining after cost recovery on oil and condensate will be split 65% to Pertamina and 34.1% to contractors. Profits on gas, after cost recovery, will be split 20.5% to Pertamina and 79.5% to contractors. Indonesian corporate taxes at the rate of 56%, are to be paid directly to the Government by contractors out of their share of the net revenues giving (subject to item 4 below) an effective split of 85% to Indonesia and 15% to contractors on oil and condensate, while the split of net gas revenues remains at 65% to Indonesia and 35% to contractors.
4. There remains the obligation to supply a share of domestic oil consumption at 20 cents a barrel. This in effect makes the split on oil 88% to Indonesia and 12% to the contractors.

The Ultramar-Group results for the first half of 1976, which were issued on 12th August 1976, were prepared on the basis of the old Production Sharing Contract and included as depletion a major part of the proceeds of the 40% cost recovery oil in addition to a normal depletion charge calculated on the unit of production basis. The modifications to the Production Sharing Contract make this treatment inappropriate in view of the completely changed terms. The results for the nine months and the revised results for the first half of 1976 therefore reflect a depletion charge on the unit of production basis and a provision for deferred Indonesian corporate taxes on the difference between the depletion allowed in computing the Indonesian tax liability and the amount of depletion charged under the unit of production method.

The new terms result in a slower recovery of total costs. Ultramar does better in 1976 than under the previous agreement but not so well in the later years. Nevertheless, under the revised terms, there is still a rapid pay-out of the investment and a substantial increase in income will result once the deliveries of gas get under way.

18th November 1976

Ultramar Company Limited, 2 Broad Street Place, London EC2M 7EP

BANK OF AMERICA

NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, November 17. These exchange rates have been compiled by Bank of America NT & SA, a worldwide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are subject to change.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America

INTERNATIONAL FINANCIAL AND COMPANY NEWS

BASF keeps up recovery

BY GUY HAWTHORN

BASF has maintained its steady recovery through the first three quarters of the year. Its performance so far has shown a substantial improvement on that of last year, but profits are still below 1974's record level.

Professor Matthias Seefelder, the chemical concern's chief executive, has claimed, somewhat modestly, that the executive Board's expectations have not entirely materialised. But with the world's industry recovering rather more slowly from the recession than originally anticipated, BASF's executive Board have no great grounds for discontent.

Group turnover during the first nine months rose by 18.7 per cent from DM13.4bn. at the end of the comparable period of 1975 to DM15.6bn. (US\$2.9bn.). Turnover of BASF AG, the West German parent concern, showed an improvement of 18.5 per cent, moving up from DM9.19bn. to DM10.9bn. (US\$2.0bn.).

If the percentage increase in sales has slackened from the position at the end of the first half—group turnover was up 19.6 per cent, while the parent's was up 18.8 per cent—profits at the end of the first three quarters have generally maintained their improvement.

Group pre-tax profits, up 69.8 per cent at the end of the first three months, were on completion of the first three quarters 100.2 per cent, ahead at DM709m. (US\$127.3m.). The pre-tax profits of BASF AG did not hold up so well. At the half way point they were 117 per cent, up at DM460m., while by the end of the nine months they were ahead by 101.45 per cent, at DM659m. (US\$124.8m.).

Referring to the parent concern, Professor Seefelder said that after a downturn in April and May, domestic sales had shown an increase in demand which brought them close to 1974 figures. Exports, although well

FRANKFURT, Nov. 18.

above those of 1975, had been giving cause for concern.

Exports in the third quarter had shown a declining rate of improvement. In the third quarter they had risen by only 18.8 per cent, although this had been offset by a 20.5 per cent improvement in domestic turnover.

With foreign sales accounting for some 54.4 per cent of BASF AG's turnover, the executive Board's concern on the export front is understandable. Prof. Seefelder said that it was being aggravated by the commercial policies—either being mooted or actually introduced—in certain industrial countries in an attempt to deal with fiscal or political difficulties.

Countries with underdeveloped economies were also giving cause for anxiety in that their growing debt burden left BASF with little scope for increasing trade.

The continued currency uncertainty of BASF AG's sales

Air France expects to cut deficit to Frs.220m.

AIR FRANCE will probably make an operating deficit of between Frs.200m. and Frs.220m. this year, compared with last year's deficit of Frs.354m., Reuter reports from Paris.

Chairman Pierre Giraudet told a Press conference the state airline intends to reduce its deficit over the next two years, breaking even by 1979.

Operations of the airline's Concorde supersonic aircraft are expected to produce a deficit of Frs.170m. this year.

Wagons-Lits hopeful

HIGHER profits at Compagnie Internationale des Wagons-Lits et du Tourisme SA for all 1976 should follow the higher first-half turnover, managing director Jacques-Bernard Duret said in Brussels, reports Reuter.

He told a Press conference that nine months figures are not yet available, but sales and profits continued to rise from the half.

The company said last September that turnover in the railway, catering and hotel sectors in the first six months rose about 10 per cent, to Frs.3.5bn. For 1975, net profit was Frs.20.63m. on sales of Frs.6.5bn. in the three divisions.

Rousselot purchase

ROUSSELOT SA, makers of synthetic adhesives and gelatines, announced on Thursday that it has acquired all the assets of Peter Cooper Corporation of the U.S., a similar concern, reports AP-DJ from Paris.

The company said the purchase required an investment of \$22m. of which \$8m. were raised through loans on the U.S. capital market.

With Peter Cooper, Rousselot now controls two subsidiaries in the U.S. Its other unit—Rousselot Corporation—markets Rousselot's European-manufactured products in the U.S.

Rousselot said it expects its consolidated turnover to attain Frs.1.2bn. in 1977, of which 20 per cent will be realised in the U.S.

Perkin-Elmer record

PERKIN-ELMER Corporation, the scientific instrument manufacturer has reported record first quarter sales and profits.

Net sales for the first quarter ended October 31 were \$85.3m. This was a 12 per cent increase over sales of \$76.1m. in the same quarter a year ago.

Net income for the quarter of \$4.7m. was 27 per cent above the prior year's first quarter net income of \$3.7m. and was equivalent to 25 cents per share compared with 20 cents per share the year before.

Income before taxes was \$9.12m, or 25 per cent above income before taxes of \$7.31m the year before.

FLOATING RATE NOTES

Issue	Yield	Price
B.F.C.E. 5 1/2% 1981	10.1	100.0
B.F.C.E. 5 1/2% 1982	10.1	100.0
B.F.C.E. 5 1/2% 1983	10.1	100.0
B.F.C.E. 5 1/2% 1984	10.1	100.0
B.F.C.E. 5 1/2% 1985	10.1	100.0
B.F.C.E. 5 1/2% 1986	10.1	100.0
B.F.C.E. 5 1/2% 1987	10.1	100.0
B.F.C.E. 5 1/2% 1988	10.1	100.0
B.F.C.E. 5 1/2% 1989	10.1	100.0
B.F.C.E. 5 1/2% 1990	10.1	100.0
B.F.C.E. 5 1/2% 1991	10.1	100.0
B.F.C.E. 5 1/2% 1992	10.1	100.0
B.F.C.E. 5 1/2% 1993	10.1	100.0
B.F.C.E. 5 1/2% 1994	10.1	100.0
B.F.C.E. 5 1/2% 1995	10.1	100.0
B.F.C.E. 5 1/2% 1996	10.1	100.0
B.F.C.E. 5 1/2% 1997	10.1	100.0
B.F.C.E. 5 1/2% 1998	10.1	100.0
B.F.C.E. 5 1/2% 1999	10.1	100.0
B.F.C.E. 5 1/2% 2000	10.1	100.0

CONVERTIBLES

Issue	Yield	Price
American Express 4 1/2% '87	10.1	100.0
Asahi 5 1/2% 1981	10.1	100.0
Banque Paribas 4 1/2% 1981	10.1	100.0
Banque Paribas 4 1/2% 1982	10.1	100.0
Banque Paribas 4 1/2% 1983	10.1	100.0
Banque Paribas 4 1/2% 1984	10.1	100.0
Banque Paribas 4 1/2% 1985	10.1	100.0
Banque Paribas 4 1/2% 1986	10.1	100.0
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Banque Paribas 4 1/2% 1992	10.1	100.0
Banque Paribas 4 1/2% 1993	10.1	100.0
Banque Paribas 4 1/2% 1994	10.1	100.0
Banque Paribas 4 1/2% 1995	10.1	100.0
Banque Paribas 4 1/2% 1996	10.1	100.0
Banque Paribas 4 1/2% 1997	10.1	100.0
Banque Paribas 4 1/2% 1998	10.1	100.0
Banque Paribas 4 1/2% 1999	10.1	100.0
Banque Paribas 4 1/2% 2000	10.1	100.0

NOTES

Issue	Yield	Price
Australia 5 1/2% 1981	10.1	100.0
Australia 5 1/2% 1982	10.1	100.0
Australia 5 1/2% 1983	10.1	100.0
Australia 5 1/2% 1984	10.1	100.0
Australia 5 1/2% 1985	10.1	100.0
Australia 5 1/2% 1986	10.1	100.0
Australia 5 1/2% 1987	10.1	100.0
Australia 5 1/2% 1988	10.1	100.0
Australia 5 1/2% 1989	10.1	100.0
Australia 5 1/2% 1990	10.1	100.0
Australia 5 1/2% 1991	10.1	100.0
Australia 5 1/2% 1992	10.1	100.0
Australia 5 1/2% 1993	10.1	100.0
Australia 5 1/2% 1994	10.1	100.0
Australia 5 1/2% 1995	10.1	100.0
Australia 5 1/2% 1996	10.1	100.0
Australia 5 1/2% 1997	10.1	100.0
Australia 5 1/2% 1998	10.1	100.0
Australia 5 1/2% 1999	10.1	100.0
Australia 5 1/2% 2000	10.1	100.0

AMERICAN NEWS

NBC law suit settled

BY JAY PALMER

NEW YORK, Nov. 18

THE U.S. Justice Department has won what appears to be a major victory in its continuing struggle to place restrictions on the alleged antitrust activities of the largest U.S. television broadcasting companies.

The National Broadcasting Company (NBC), one of the three TV network giants, yesterday signed a consent decree ending its long civil lawsuit with the Justice Department. The terms of this pact will ultimately place sweeping new restrictions on NBC's operations.

However, only a relatively small number of less controversial restrictions will come into effect immediately. Most of the key provisions and major new restrictions will not be implemented until and unless the Government resolves along identical lines its ongoing suits against CBS and the American Broadcasting Company.

Woolworth profits up despite exchange loss

F. W. WOOLWORTH recorded a \$18.65m. profit in third-quarter 1976 against \$8.06m. in the 1975 quarter on sales of \$1,257.65m. (\$1,124.45m.). AP-DJ reports from New York.

This brought the nine months earnings to \$48,727m. or \$1.59 a share (\$39.31m. or \$1.28 on sales of \$3,566.58m.).

Earnings for the quarter and nine months were increased about \$3m. a share by share buybacks effected through a change in the tax year of a foreign subsidiary. Third quarter net income allows for a \$603,000 foreign exchange loss in 1976 and a \$2,039m. loss in 1975. The nine months net income allows for a net foreign exchange loss of \$4,834m. in 1976 and a foreign exchange gain of \$11,184m. in the 1975 nine months.

Corporate profits rise by 14%

THIRD quarter after-tax earnings of leading U.S. companies rose about 14 per cent, above the 1975 level, indicating growth is slowing to a more sustainable pace, Citibank says in its latest quarterly survey.

This follows a 34 per cent increase in first half 1976 over the 1975 period among the 1,448 companies surveyed, and Citibank comments: "This indicates

Saint-Gobain sales rise by 12%

PARIS, Nov. 18.

By country, the increase was 9 per cent in France, nearly 15 per cent in Germany, 18 per cent in Spain, and 25 per cent in South America.

Since the Group acquired a majority holding in Certain-Teed Corporation (U.S.) in September, this company will be consolidated for the first time in the Group's financial statements in 1976. Certain-Teed has previously been shown as an equity holding in the consolidated accounts. It is also planned that Glaceries de Saint-Roch should be consolidated for the first time this year.

This company has operations in Belgium, Germany and the Netherlands. The group's holding falls just short of a majority stake.

As a result of these decisions, net consolidated sales for 1976 should reach approximately Frs.28bn., compared with Frs.21.2bn. in 1975.

These changes in the consolidation plan will have a significant impact on major items in the financial statements, in particular in respect of cash flow and operating income. However, as these changes will only become effective toward the end of the financial year, they will have very little impact on net consolidated income, which was Frs.282m. (Fr.10.03 per share) for the first six months of 1976. "It seems rather unlikely," indicated Mr. Martin, "that we will be able to double this figure for the whole year. But we may reasonably assume that, unless there are significant variations in monetary policies, we shall not be very far from doing so."

Australian Exchanges trading plan

By James Forth

SYDNEY, Nov. 18.

MEMBERS of the Melbourne and Sydney Stock Exchanges will meet next month to decide on proposals for the establishment of a joint committee with role-making authority for reciprocal trading by members of both Exchanges. Approval would represent a major step towards a National Stock Exchange. The smaller Exchanges in other states are waiting on the Melbourne-Sydney decision and if it is in favour of a joint approach they are expected to follow suit.

The meeting will be held on December 8. If the stock-brokers agree they will be able to trade on the floor of both Exchanges. At present members of one Exchange must operate interstate through a member of the other Exchange.

In a circular to members, the Melbourne Exchange said the proposals for common action would produce a more efficient market and the joint committee would facilitate the development of a cohesive policy making body for members of both Exchanges. If the meetings agree both Exchanges will have identical articles and will meet certain of their existing powers to the joint committee.

Melbourne Exchange recently proposed to go ahead with plans to offer common access to interstate brokers without waiting for Sydney, but cancelled after strong protests from Sydney that such a step would destroy chances of achieving a uniform approach.

Kubota forecasts

KUBOTA has forecast its net profit for the current year ending April 15, 1977, at between ¥22 and ¥23bn. (¥20.88bn. last year) on estimated sales of ¥460bn. (¥410.08bn.). Reuter reports from Osaka.

President Keitaro Hiro told a Press conference that he hopes to declare an unchanged ¥50 per share, 15 per cent dividend this year.

Air Siam chief resigns

BY RICHARD NATIONS

BANGKOK, Nov. 18.

THE RESIGNATION of Air Siam managing-director, Mr. Virachai Vannakul, announced today, could indicate the beginning of the end for this maverick among Asian commercial airlines whose price-cutting led to confrontation with Britain earlier this year.

Mr. Virachai was widely considered the key figure in the otherwise slender assets and his replacement by Mr. Vival Vichitvadakan follows a series of blows stemming from the military coup last month. Air Chief Marshal Kamol Dejjuntunkha,

second in command in the 24-man military alliance which seized power on October 6, is also head of Air Siam's rival, the national flag bearer Thai International.

Once in power, Mr. Kamol lost no time in settling Thai International's old score with Air Siam. Air Siam's key supporters in the Communications Ministry and elsewhere in the bureaucracy were purged, and the Government cancelled Air Siam's arrangement to lease a DC-10 to Air Ceylon for the Colombo to Zurich run.

This was apparently welcomed by commercial aviation heads in Europe, who feared Air Siam would soon begin cutting prices on the Europe-Asian run as it had on the Bangkok-Hongkong leg of its Japan-U.S. run. The prices Air Siam was planning to Europe were ridiculously low and would have affected the whole of European aviation, Western diplomats here said.

Under the Air Siam, however, the Government's policy was a staggering blow which banished the hopes of the long-pursued European route and left one of its valuable DC-10's grounded and losing revenue daily.

EUROBONDS

LTC of Japan issue

BY TONY HAWKINS

THE LONG-TERM Credit Bank of Japan is to make a \$25m. 5-year floating rate issue in the Eurobond market. The issue is expected to be announced today by the borrower being the Industrial Mortgage Bank of Finland.

Finnish conditions continued in the dollar sector again yesterday and Quebec issues continued their gentle recovery. The O.K.I. Electric Industry \$15m. 5-year

as this is the first time that a bond issue priced at par this week traded at 99 1/2/99 3/4 which was regarded as a satisfactory debut. The Province of Nova Scotia \$20m. 5-year, \$200m. issue was well received and will be traded in the secondary market to-day.

BONDTRADE INDEX

	Thursday	Wednesday
Medium	101.44	101.45
Long	92.92	92.88
Convertibles	104.53	104.53

SELECTED EURODOLLAR BOND PRICES

Issue	Yield	Price
Alcan 5 1/2% 1985	10.1	100.0
Australia 5 1/2% 1981	10.1	100.0
Banque Paribas 4 1/2% 1981	10.1	100.0
Banque Paribas 4 1/2% 1982	10.1	100.0
Banque Paribas 4 1/2% 1983	10.1	100.0
Banque Paribas 4 1/2% 1984	10.1	100.0
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Banque Paribas 4 1/2% 1997	10.1	100.0
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Banque Paribas 4 1/2% 1999	10.1	100.0
Banque Paribas 4 1/2% 2000	10.1	100.0

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October, 1976

Arbitration seminar

By A. H. Hermann

THE TECHNIQUES of international commercial arbitration will be the subject of a seminar at the Paris headquarters of the International Chamber of Commerce from November 22 to 26. This will be the second international seminar arranged by the ICC which has accumulated a unique fund of experience in this field over the past 50 years. Through international contracts nearly always include an arbitration clause, a surprisingly large number of these clauses are still badly worded. When it comes to arbitration, the choosing of an arbitrator and the opening of proceedings are often problems due to unfamiliarity with the rules and institutions.

The ICC seminar next week has been planned to give legal experts and businessmen an opportunity to become more familiar with arbitration by a series of lectures and practical exercises. It will be addressed by leading practitioners and mock arbitration proceedings will be held on four out of the five days of the seminar.

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Caisse des Dépôts et Consignations	Chase Manhattan	Christiana Bank og Kreditkasse	Commerzbank
Compagnie Financière Intercontinentale S.p.A.	County Bank	Creditanstalt Bankverein	Credit Commercial de France
Credito Italiano	Den Danske Bank af 1871 A/S	Den norske Creditbank	Deutsche Bank AG
Dillon, Read Overseas Corporation	Dresdner Bank	European Banking Company	First Boston (Europe)
Robert Fleming & Co.	Gehna International Limited	Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft	First Chicago
Goldman Sachs International	Gotabanken	The Gulf Bank (K.S.C.)	Hambro-Mitsui
R. Henriques Jr. Bank—Aktieselskab	Hill Samuel & Co.	Kansallis-Osake-Pankki	Kjøbenhavns Handelsbank
Kleinwort, Benson	Kreditbank N.V.	Kreditbank S.A. Luxembourg	Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)
Lazard Freres & Co.	Lazard Freres & Co.	Lloyds Bank International	Manufacturers Hanover
Merrill Lynch International & Co.	Samuel Montagu & Co.	Morgan Grenfell & Co.	Morgan Stanley International
Nesbitt, Thomson	The Nikko Securities Co. (Europe) Ltd.	Nomura Europe N.V.	Norddeutsche Landesbank
Orion Bank	Oslo Handelsbank A/S	Pearson, Hidding & Pierson N.V.	Post-och Kreditbanken PKbanken
Paribasbanken	Rabobank International Bank N.V.	N. M. Rothschild & Sons Limited	Rowe & Pitman, Hurst-Brown
Salomon Brothers International	Saudi Arabian Investment Company, Inc.	Scandinavisk Bank	Scandinavian Securities Corporation
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Sparbankernas Bank AB	Strauss, Turnbull & Co.	Sundstallbanken	Svenska Handelsbanken
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November, 1976

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THE FINANCIAL AND COMPANY NEWS

THE BATTLE FOR THE IRVINE RANCH

Bidders on the carousel

BY ART GARCIA IN SANTA BARBARA

AT A TIME when some major American companies are shedding their land development ventures and preparing to take huge write-offs a bidding war near \$300m. has exploded around the Irvine Ranch, owner of America's biggest real estate project, the Irvine Ranch in California. The price has been pushed from a \$200m. bid by Mobil Oil Corporation two years ago to a new round of mushrooming offers. The prize: 65,000 rolling coastal acres which take up nearly 20 per cent of Orange County, California's fastest-growing county in the path of populous Southern California's expansion.

The Irvine Ranch is between Los Angeles and San Diego, is three times the size of San Francisco and five times as large as Manhattan. Originally formed from two Mexican ranches and a Spanish land grant, the Irvine Ranch was patched together in its present form 100 years ago. Until 1961, it remained a sprawling agricultural complex hidden from the millions who crossed its southern tip on the freeway linking Los Angeles, 40 miles north, and San Diego, 80 miles to the south.

Now, Irvine Ranch is the centre of a bidding struggle between American and Canadian interests—with other parties in the background for the holding company, forced into auction by laws. More than just Irvine's choice acreage now being developed into the largest master-planned urban environment in the U.S. is at stake. The winner will acquire a successful company which achieved record profits for the sixth consecutive year with 1976 net income of \$11.4m. on revenues of \$104m. and whose other holdings include 6,000 acres of farm land, public real estate company in Irvine's management is a key to their eagerness.

Mobil and Toronto-based Cadillac Fairview, the largest public real estate company in Canada with assets of \$1bn. were until recently, the chief bidders. Mobil's latest bid, earlier this week, equalling the latest Cadillac Fairview nominal total of \$279.5m. But a third entrant, the SMH and Z, Inc., a privately-planned development over the held Detroit investment company, bid about \$34 in cash and manufacturing plants and shopping centres, plus a city of 400,000. A few weeks ago, the price of \$256-\$265m. but with company revealed plans to develop a \$300m. square feet retail and business complex. Interested but unable to act on 470 acres that will include its own is the James Irvine Foundation, which holds 54.4 per cent of Irvine stock. Joan Smith, largest individual owner of company stock by own, one or controlling 15m. shares, said the Irvine Ranch was a development programme and won't be involved in legal battles for nearly 20 years over the Irvine Foundation's stewardship of the company.

Further complicating the picture is the Tax Reform Act of 1986, under which tax-exempt foundations which control private companies, such as Irvine, must direct themselves of their stock positions by 1981. The Foundation is under pressure to sell its company holdings because the federal tax law requires it to pay out annually to charity a much larger percentage of its assets than it receives in dividends on its company stock. Dividends from Irvine Company stock have not been sufficient to meet that requirement. The Foundation's stock is to have a higher value, then the dividend requirement will force early sale of the shares. Terms of a sale, however, still must be approved by the court.

Various estimates have been made on the value of Irvine stock, including appraisals of \$38.65 per share and an estimate that the company's potential value over 40 years of development may reach more than \$1bn. Meanwhile, the bidding war goes on, with Mobil at last word toppling Cadillac Fairview's latest offer of \$269m. in cash and notes, or about \$27 a share, with a higher bid for the second time of \$273m. or around \$23.50 a share. Irvine officials, envious in the spirited bidding, consider Mobil the favourite so far because it offers a 100 per cent cash offer. With the Irvine Ranch played, the bidders and Irvine interests now await higher stakes or new moves by others who may care to join the game for one of California's richest treasures.

Third-quarter profit for Estel but outlook remains gloomy

BY FRISO ENDT

ROTTERDAM, Nov. 18

ESTEL NV, the German-Dutch steel company, reported that it has booked a net profit in the third quarter of this year of Fls.14m. against a loss of Fls.57.3m. over the same period last year.

Estel's losses over the first quarter (Fls.72.2m.) and second quarter (Fls.29m.) have been made up for a small part only by the third quarter profit.

Prospects, Estel's Board says, are less optimistic. In its comment on the third quarter results the Board says that orders for a number of important products in the steel section are declining.

The result will be that prospects for the fourth quarter will be unfavourable—the Board fears that the recovery trend shown in the first three quarters of this year will be reversed.

Sales increased in this third quarter, compared with the preceding period, by Fls.159m.

In this third quarter the steel industry continues, in spite of today's steel company, reported that it has booked a net profit in the third quarter of this year of Fls.14m. against a loss of Fls.57.3m. over the same period last year.

One of these factors is the result over the period of shipbuilding industry last year of Fls.159m. In this whole, troubles are far from year's second quarter. Estel over the building industry reported a negative result of Fls.28m. and in the first quarter of Fls.111.1m.

In this third quarter the steel industry continues, in spite of today's steel company, reported that it has booked a net profit in the third quarter of this year of Fls.14m. against a loss of Fls.57.3m. over the same period last year.

But it still means that its level of production is far behind the production of raw iron, raw steel and rolled steel showed a significant increase.

Dr. O. H. A. Cvan Royen, Board member of Estel, explained that stockpiling of steel has greatly attracted imports to the Common market, in particular from Japan, but also from the East Bloc countries and from Spain.

Therefore, the European steel industry has been forced to curb its exports which in itself also explains the cutback in European steel production as a whole.

Car insurance premiums to rise in Sweden

By John Walker

STOCKHOLM, Nov. 18

PRIVATE CAR insurance premiums in Sweden are to rise by about 25 per cent at the end of this year. This follows hard on the heels of a rise in some cases amounting to as much as 50 per cent, which came into effect in the beginning of October. The three main companies, Skandia, Folksam and Trygghetsförsäkring, account for about 75 per cent of the car insurance business in the country. It is reliably reported that they are currently between 10 and 20 per cent in the line of their business.

The companies are admitting that the rise in premiums is a result of the increase in the cost of repairs. This in turn is due to the rapid increase in wages, increased cost of spare parts and more complicated repairs. In addition there is the mounting force of stolen cars, some of which are occasionally found undamaged. One company reports that damage to stolen cars during 1975 went up by 40 per cent, while costs rose by 75 per cent during the same period.

At the upper end of the bracket, a car in the 'new' class, for example, would cost about Kr2,400 (\$340) for a comprehensive premium.

Now the premium is likely to be somewhat dearer at Kr3,000 (\$430). Although probably a majority of car owners will stick to their comprehensive policy at the moment, it is expected that a large number of policyholders will change to the less expensive third party fire and theft.

ASUAG reduces dividend payment again

BY JOHN WICKS

ZURICH, Nov. 18

THE SWISS watch industry company, Allgemeine Schweizerische Uhren-Industrie AG (ASUAG), of Bienne, recommends a reduction in its dividend from Sw.fr.20 to Sw.fr.16 for the business year ended June 30, 1976. This would follow a cut back from a Sw.fr.24 a year ago. Net profits of the holding company fell from Sw.fr.8.11m. to Sw.fr.4.03m. in 1975/76.

In the calendar year 1975, turnover of ASUAG subsidiaries dropped by 23.6 per cent, to Sw.fr.1,070m. (Sw.fr.1,430m.) or to below 1972 levels. This is attributed to the development of world markets in general and the decline in Swiss watch exports in particular. Total sales recovery has yet begun in the watch sector.

For the current year the ASUAG group is to spend a total of some Sw.fr.38m. on research and development, or about 3 per cent more than last year. This concern is stressing its development of new products, particularly in the electronics sector, as well as improving existing products.

BEECHAM GROUP LIMITED

Interim Statement of Trading Results 1976/77

The directors of Beecham Group Limited announce that the unaudited trading results for the half year ended 30 September 1976 are as follows:

	Half year-ended 30 September 1976	Year ended 31 March 1976	Year ended 31 March 1975
Group sales	1976 £m	1975 £m	1976 £m
Group trading profit	331.2	251.9	566.6
Interest on loan capital and bridging loans	60.0	38.8	98.7
Group profit before taxation	4.6	3.2	7.5
Taxation	55.4	35.6	91.2
Group profit after taxation	24.9	16.1	40.2
Minority interests	30.5	19.5	51.0
Group profit available for dividends and retentions	0.6	0.3	0.9
Earnings per ordinary share	29.9	19.2	50.1
	20.75p	13.37p	34.88p

Currency exchange rates

The trading results of overseas subsidiaries for the year ended 31 March 1976 and the half year ended 30 September 1976 have been expressed in sterling at 31 March 1976 rates of exchange. Those for the half year ended 30 September 1975 are at 31 March 1975 rates. These rates have been used in accordance with the policy consistently applied since 1971/72.

Restatement of the results for the half year ended 30 September 1975 at 31 March 1976 rates of exchange would increase trading profit by £4.3m. to £43.1m. and sales by £20.1m. to £272.0m. Trading profit would have increased by a further £5.0m. and sales by a further £28.0m. if 30 September 1976 rates of exchange had been applied to the interim results for 1976/77.

Interim dividend

The directors have today declared an interim dividend of 2.87p per ordinary share (interim dividend 1975/76 2.61p per ordinary share). The 1976/77 interim dividend, totalling £4.1m., will be paid on 1 February 1977 to all members on the register at the close of business on 20 December 1976, except in respect of ordinary shares allotted to holders of Beecham International Holdings S.A. 51% guaranteed convertible debentures tendered for conversion after 17 November 1976.

18 November 1976

Braun sales improve by 9 per cent.

By Nicholas Colchester

BONN, Nov. 18

POWERED chiefly by overseas demand, the Braun group, the West German manufacturer of electrical consumer products that is wholly owned by Gillette of America, returned an increased but unspecified profit in the year to September 30, 1976, on a nine per cent increase in worldwide sales to DM773m.

In its preliminary report for the year, the management says that the development of business within West Germany was held back by the slow state of the economy but that overseas business was much livelier. The proportion of Braun's turnover generated abroad last year was up from 54 per cent to 60 per cent.

Agreement on shipping merger

THE BOARDS of Cie. Generale Transatlantique and Cie. des Messageries Maritimes, both state-controlled, said they have agreed on the merger plan announced last February. AP-DI reports from Paris.

Terms of the merger, to be submitted to shareholders, are due in January and are expected to provide for the absorption of Maritimes by Transatlantique, the latter becoming a holding listed on the Paris Stock Exchange as Cie. Generale Maritime et Financiere.

BUSINESSES FOR SALE

By Order of the Receiver

Substantial Contractors

Plant Hire Business

For Sale as a going concern

Twelve Freehold and Leasehold Depots covering London.

Southern England, South Wales, Greater Midlands.

North West England.

Individual sale of Depots considered.

Grimley & son
CHARTERED SURVEYORS
121-124, 125-126, 127-128, 129-130, 131-132, 133-134, 135-136, 137-138, 139-140, 141-142, 143-144, 145-146, 147-148, 149-150, 151-152, 153-154, 155-156, 157-158, 159-160, 161-162, 163-164, 165-166, 167-168, 169-170, 171-172, 173-174, 175-176, 177-178, 179-180, 181-182, 183-184, 185-186, 187-188, 189-190, 191-192, 193-194, 195-196, 197-198, 199-200, 201-202, 203-204, 205-206, 207-208, 209-210, 211-212, 213-214, 215-216, 217-218, 219-220, 221-222, 223-224, 225-226, 227-228, 229-230, 231-232, 233-234, 235-236, 237-238, 239-240, 241-242, 243-244, 245-246, 247-248, 249-250, 251-252, 253-254, 255-256, 257-258, 259-260, 261-262, 263-264, 265-266, 267-268, 269-270, 271-272, 273-274, 275-276, 277-278, 279-280, 281-282, 283-284, 285-286, 287-288, 289-290, 291-292, 293-294, 295-296, 297-298, 299-300, 301-302, 303-304, 305-306, 307-308, 309-310, 311-312, 313-314, 315-316, 317-318, 319-320, 321-322, 323-324, 325-326, 327-328, 329-330, 331-332, 333-334, 335-336, 337-338, 339-340, 341-342, 343-344, 345-346, 347-348, 349-350, 351-352, 353-354, 355-356, 357-358, 359-360, 361-362, 363-364, 365-366, 367-368, 369-370, 371-372, 373-374, 375-376, 377-378, 379-380, 381-382, 383-384, 385-386, 387-388, 389-390, 391-392, 393-394, 395-396, 397-398, 399-400, 401-402, 403-404, 405-406, 407-408, 409-410, 411-412, 413-414, 415-416, 417-418, 419-420, 421-422, 423-424, 425-426, 427-428, 429-430, 431-432, 433-434, 435-436, 437-438, 439-440, 441-442, 443-444, 445-446, 447-448, 449-450, 451-452, 453-454, 455-456, 457-458, 459-460, 461-462, 463-464, 465-466, 467-468, 469-470, 471-472, 473-474, 475-476, 477-478, 479-480, 481-482, 483-484, 485-486, 487-488, 489-490, 491-492, 493-494, 495-496, 497-498, 499-500, 501-502, 503-504, 505-506, 507-508, 509-510, 511-512, 513-514, 515-516, 517-518, 519-520, 521-522, 523-524, 525-526, 527-528, 529-530, 531-532, 533-534, 535-536, 537-538, 539-540, 541-542, 543-544, 545-546, 547-548, 549-550, 551-552, 553-554, 555-556, 557-558, 559-560, 561-562, 563-564, 565-566, 567-568, 569-570, 571-572, 573-574, 575-576, 577-578, 579-580, 581-582, 583-584, 585-586, 587-588, 589-590, 591-592, 593-594, 595-596, 597-598, 599-600, 601-602, 603-604, 605-606, 607-608, 609-610, 611-612, 613-614, 615-616, 617-618, 619-620, 621-622, 623-624, 625-626, 627-628, 629-630, 631-632, 633-634, 635-636, 637-638, 639-640, 641-642, 643-644, 645-646, 647-648, 649-650, 651-652, 653-654, 655-656, 657-658, 659-660, 661-662, 663-664, 665-666, 667-668, 669-670, 671-672, 673-674, 675-676, 677-678, 679-680, 681-682, 683-684, 685-686, 687-688, 689-690, 691-692, 693-694, 695-696, 697-698, 699-700, 701-702, 703-704, 705-706, 707-708, 709-710, 711-712, 713-714, 715-716, 717-718, 719-720, 721-722, 723-724, 725-726, 727-728, 729-730, 731-732, 733-734, 735-736, 737-738, 739-740, 741-742, 743-744, 745-746, 747-748, 749-750, 751-752, 753-754, 755-756, 757-758, 759-760, 761-762, 763-764, 765-766, 767-768, 769-770, 771-772, 773-774, 775-776, 777-778, 779-780, 781-782, 783-784, 785-786, 787-788, 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Walking the participation tightrope

ENERGY SECRETARY Mr. Anthony Wedgwood Benn has clearly injected a new sense of urgency into the negotiations over state participation in offshore oil reserves. What is more, the fifth round of offshore licences, now being reviewed by the Department of Energy, has become a much more blatant negotiating ploy than the oil companies might have expected a few months ago.

The speed with which negotiations between Shell, Esso, the Government and the British National Oil Corporation seem to be moving is evidence of both points. The presence of Mr. Clifton Garvin, chairman of Exxon Corporation — Esso's parent — at this week's meetings suggests the war is being prepared for, perhaps, the signing of general heads of agreement within a few weeks.

Mr. Garvin once stated his view that as participation was regarded by the Government as voluntary, Esso was choosing not to volunteer.

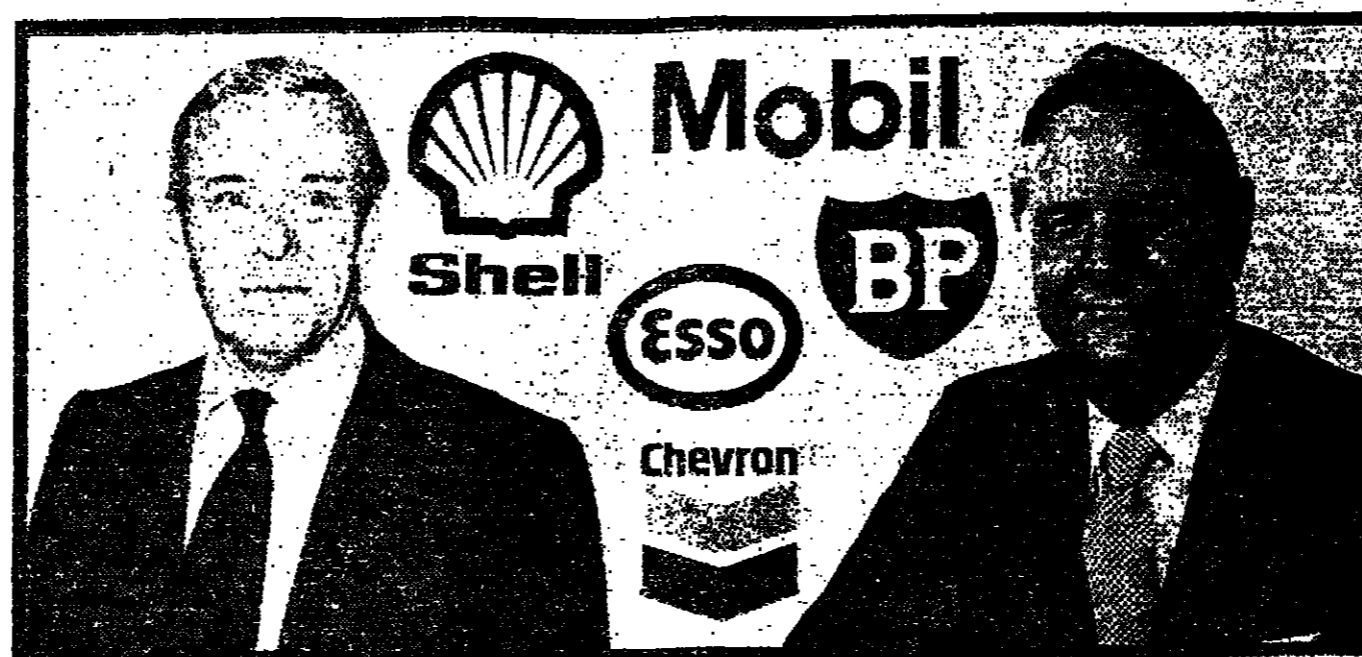
Voluntary is a word seldom used in the current participation negotiations, however. Having taken over as the Government's chief negotiator from Mr. Harold Lever, Chancellor of the Duchy of Lancaster, Mr. Benn has made it clear that if companies want to be awarded fifth round exploration licences, they will have to agree to the concept of a state presence in offshore fields.

This attitude has become tougher following the industry's response to the fifth round offer.

Fortified by this response, Mr. Benn is stressing that the fifth round will be a vehicle for settling the participation issue. At one stage it seemed that companies would qualify for new licences if they demonstrated a willingness to talk meaningfully about a state (BNOC) presence in their existing fields. Now Mr. Benn wants to see some form of outline agreement or evidence that an agreement is forthcoming. Since the fifth round details were announced in July, the Government has hinted at a new condition. Recent letters to oil companies indicate that successful applicants will be expected to concede participation in any new fields, found under past licence rounds.

Since it has taken some companies months of negotiations to come near to a participation pact in fields they know about, the industry has some cause to question whether it is right for them to accept general terms covering unquantifiable fields, particularly in such a short timescale.

For time is limited. The Department of Energy has now completed its interviews with applicants. During these discussions, officials have shown a willingness to try and give as many proven oil explorers as possible a stake in new licences. To this end, operating groups have been asked if they would be willing to share some of the concessions, particularly those where two or



Mr. Anthony Wedgwood Benn (left), Energy Secretary, has made it clear that even for Mr. Clifton Garvin (right), chairman of Exxon, state presence in offshore fields is the price tag on fifth-round licences.

more blocks are thought to contain one prospective structure.

As things stand, the Department of Energy hopes to inform the industry about proposed allocations within the next two or three weeks. Successful companies will then be expected to discuss detailed operating agreements with the British National Oil Corporation, a 51 per cent. stake in all licences. In order to sidestep what might become a tortuous round of individual negotiations, BNOC and the Offshore Operators Association are

trying to formulate a standard operating agreement. If these talks progress well, and the participation obstacles are overcome, the Government will publicly announce the allocations in late December or early January. It is quite likely that allocations will be staggered.

Whatever happens, Mr. Benn is almost certain to emphasise that the industry has "willingly" conceded the concept that the State should have a presence in the development of such an

important strategic resource. No doubt he will add that, in line with Government policy that participation should leave companies financially "no better" and "no worse," the commercial interests of the oil companies have been safeguarded.

The participation pattern has been set already. Deals have been concluded with Gulf, Conoco, Tricentral and Ranger, for instance, and Occidental has signed "heads of agreement." British Petroleum has signed a memorandum of understanding

and talks are proceeding which should lead to an early conclusion of the deal. The negotiating effort is now being concentrated on about a dozen companies which have substantial interests in existing oil finds. They are known to include the "big three"—Shell, Esso and BP; and Dehimer, BP's North Sea production from oil, January 1977, although the Corporation will sell back all this option oil up to 1978. Between 1979 and 1981 BNOC will sell North Sea option oil back to BP in exchange for oil

might be imposed. BP's outline agreement, which has been shown to the industry as a model of what might be achieved, seems to have added fuel to this unrest.

It is pointed out that companies which have already signed agreements are "crude short" in that their oil supplies exceed their refining and marketing needs, leaving them with a surplus to sell to other companies. BP is the biggest company in this position.

So far, no "crude short" company has agreed to participate. Shell and Esso have been fighting to retain the use of all the oil they find and produce in the North Sea. The Government has been insisting that BNOC should have the right to buy, at market prices, up to 51 per cent. of production. And yet security of continued access to crude oil is crucial to the investment and marketing decisions of these and other companies.

A compromise solution might be some form of swap or buy-back arrangement which would guarantee offshore companies access to the same amount of crude that they were producing.

The BP outline agreement is a case in point. BNOC has a right to buy 51 per cent. of Esso and BP's North Sea production from oil, January 1977, although the Corporation will sell back all this option oil up to 1978. Between 1979 and 1981 BNOC will sell North Sea option oil back to BP in exchange for oil

from other BP sources to a similar value.

However, this agreement can be overridden by several factors including a direction from the Government to BNOC that "the making of these deliveries is contrary to the national interest." What, asks the industry, constitutes the national interest? Taken to the extreme, it could be defined merely by a Ministerial policy statement or a direction from a Labour Party or TUC conference.

As a result of the Petroleum and Submarine Pipelines Bill and agreements implied in state participation, the Energy Secretary is arming himself with a number of controls and restrictions which can be used at any time in the future. Disconsolate oil executives have recently been talking about "creeping nationalisation."

They could, if they wished, demonstrate their displeasure by pulling out of the fifth round altogether. But they know that they would immediately damage their chances of being involved in future exploration activities in one of the most prospective oil areas of the world. Mr. Benn, too, is walking a tightrope. He has declared that the fifth round marks the beginning of a new era of licensing, one in which the strategic value of North Sea oil to the people of Britain is recognised. A rebuff would have been disastrous for his policies. As the licences applications show, Mr. Benn has not been shaken from the tightrope.

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150-160

FINANCIAL TIMES SURVEY

Friday November 19 1976

Computer Peripherals

Radical technological changes are being made in peripheral equipment serving central computers. This means that this sector is likely to continue to grow more rapidly than other areas of the computer industry.

Sales keep on rising

A WORLD where every industrially advanced country is striving to cope with the problems which have come in the wake of the energy crisis, it should come as a life-saver to a drowning man that the computer industry is unanimous on one point: the computer industry is growing more rapidly than other sectors of the economy.

For Europe as a whole, the "guesstimate" for 1980 is total annual sales of about £4bn, or 10 per cent of total computer sales. The immediate question that must spring to the minds of manufacturers and businessmen, especially those a number of proposals, is to

striving manfully to keep traditional industries afloat, is what is Europe doing to make sure that it will transform 1975's totally unacceptable deficit in computer equipment import/export flows of over £800m, reported by Macintosh Associates, into a significant share of the above £4bn sales to European users over the next five years.

The answer is that something has been done, but it is not on a sufficient scale to make more than a slight dent in the problem. Effective action demands concerted and powerful European decisions taken by an organisation that is not hamstrung by narrow national considerations or subjected to pressures from outside Europe.

Because all deliberations and decision-making procedures in Europe are so ponderous and time-consuming, the recent announcement that the European Commission had put together a £45m aid package of which a large amount will go towards supporting the European minicomputer/terminal software and components effort is little short of a miracle. Whether the EEC Council of Ministers will bow in approval remains to be seen.

A closer look reveals some of the strings attached to the proposition. The £20m for peripherals will be spread over the period 1978/81 and would be granted to support collaborative projects from at least two European countries. Since the question that must spring to the minds of manufacturers and businessmen, especially those a number of proposals, is to

be feared that many projects will go forward and the £7m, a year will be diluted between variously interpreted. One group of observers believes the French Government move to be a belated reaction from having sacrificed Europe's first significant joint computer venture—Unidata (Siemens, Philips, CII)—to expediency and Honeywell. Others have it that to stop throwing good money after bad and to use the funds thus saved in a peripherals venture where at least some return is assured to be good, pragmatic government. Thus they applaud the French move.

Detailed

There will be further grants under an £8m scheme to foster component development, which is a mere ghost of the Japanese plans for very large scale integration (VLSI) circuits, and under £20m to further software projects, both of which will help the peripherals sector to some degree, particularly if it should become possible to buy basic advanced components of European design and manufacture and incorporate them in equipment which would then receive preferential treatment from European Governments. At least that is the pattern of development if all things work out well in the European sense over the next three years or so.

All the foregoing is at European level. At the lower national level it will surprise no one to learn that France has formulated highly detailed and extensive plans which will ensure that French domestic industry shall ultimately have the major part of the country's internal market for peripherals. The announcements, made at

the most recent Sicob show in Paris by Michel d'Ornano, Minister of Industry, have been variously interpreted. One group of observers believes the French Government move to be a belated reaction from having sacrificed Europe's first significant joint computer venture—Unidata (Siemens, Philips, CII)—to expediency and Honeywell. Others have it that to stop throwing good money after bad and to use the funds thus saved in a peripherals venture where at least some return is assured to be good, pragmatic government. Thus they applaud the French move.

But exactly what does it involve? It is an attempt to stop the increasing hold on the domestic market of imported equipment now representing some 70 per cent of an annual sales figure put at French Frs.3bn. for 1976, of which the domestic companies provide only \$1.3bn. worth, the difference (against 70 per cent) being accounted for by foreign ingredients in sales by the latter. This market is growing at a rate of around 30 per cent. at present.

There seems to be some uncertainty as to which projections the French authorities are using to base decisions and support action in this area. The above 1976 figure comes from a lengthy document on the subject of support to the peripherals industry by the Industry Ministry.

From 1974 to 1980 an average growth in total sales of around 23 per cent is foreseen, the final figure being close on Frs.8.5bn. area by the end of the decade.

This Survey was written by TED SCHOETERS

By then, the Ministry hopes, sales by domestic companies should reach Frs.6.1bn, or 77 per cent, compared with 50 per cent. this year—not allowing for the imported ingredient in domestic products.

In other words d'Ornano expects that action by his Ministry will allow the new French groupings being set up around companies with a peripherals history to increase their sales to the home market by 355 per cent. over four years. The elixir which will galvanise the new groupings into action is generally known as the "growth" contract. But it is one from French Government and not one easily given and simple to carry out. Firstly, beneficiaries must have a credible industrial and financial basis and set up a five year growth plan which is viable without State aid. To this is joined a much more ambitious plan as a vehicle for State aid. The extra financing costs involved would be shared 50/50 between the Ministry and the company. It is understood that three groups—Logabax, Transac-Sintra (CGE) and SEMS (Thomson)—have already taken this step with the ultimate aim of producing between them Frs.1bn. worth of equipment in this area by the end of the decade.

The growth contract purse is not bottomless and would be limited to around Frs.180m. a year until 1980 with Frs.200m. already earmarked for the conversion of CII's ill-fated plant in Toulouse.

Thus State aid could work out at a five-year total of £75m. to foster the minis, peripherals and micros and is a small amount to pay if it does indeed engender a home product in this area of £815m. by 1980. Even if the latter figure were halved and the former doubled the enterprise would be worth pursuing. Meanwhile Ministry and companies are looking for areas where home technology is weak but where there are possibilities of links with other, complementary European companies.

Rules

In Britain, apart from negligible sums available from the Advanced Computer Projects scheme, there is absolutely nothing to match aid on this scale, and the Central Computing Agency which has had its wings trimmed under present Government stringencies could not match d'Ornano's largesse even if it wanted to.

Whether any such programme could ever be set up in Britain is a moot point—it goes without saying in France that if the State aids an industry, then the State automatically buys products which result from that aid. Not so in Britain. Hence all the skirmishing around single-tender contracts with Interna-

tional Computers in which the Government has a comfortable stake and which has received £40m. of repayable aid in the period 1968-76.

The problem here, so far as peripherals are concerned, is different. It stems from the fact that ICL is now a big international company in its own right with a world market base of £1,200m. worth of computer systems of which £300m. or 42 per cent, represents peripherals.

ICL is believed to be number four in the world of peripherals shippers after IBM, CDC and NCR and has a total population of 5,600 printers, 13,000 magnetic tape drives and 18,000 disc drives for which it is responsible overseas—not counting the newly-acquired responsibility for Singer equipment.

Annual shipments are running at a total of 1,100 printers, 1,400 tape drives and 2,700 disc systems to a total value of £180m. and involvement with Singer needs may add possibly 80 per cent. to that figure. ICL is also shipping some 1,800 single displays and keyboards and as many as 9,000 clustered displays each year to which must be added an expected 2,500 to 3,000 for the Singer 1500 and Singer 10.

The foregoing suggests that the company has enough resources to go it alone in peripherals, but this is not the view of ICL management. CPI, the peripherals venture between CDC and NCR was joined by ICL simply because the latter firmly believes that only by pooling efforts can enough volume of sales of engendered to provide a worthwhile percentage of research and development money—in this field, product evolution is fast and fiercely competitive.

Tape

One of the first products to emerge in Britain from this collaboration will be a medium-capacity tape system which the company expects soon to be building in thousands a year with perhaps 80 per cent. going for export.

But the company is not bound rigidly to strict territorial rules according to product. CDC is a major disc supplier, but ICL retains an evaluation capability. CPI supplies printer technology, but ICL's quiet train printer is exported worldwide and is the subject of an agreement with Siemens. Drico is a major supplier of discs for the ICL export winner, the 2903—and so on.

The philosophy is quite different to that followed by d'Ornano though it could be said that ICL and partners probably could present a lengthy list of products which would be at home in the French Minister's "peri-informatique" shopping list. At the same time, DRI, although under the wing of the National Enterprise Board, is not barred from working with European groups.

But unless CPI specifically declines to cover the somewhat different needs of the growing

CONTINUED ON NEXT PAGE

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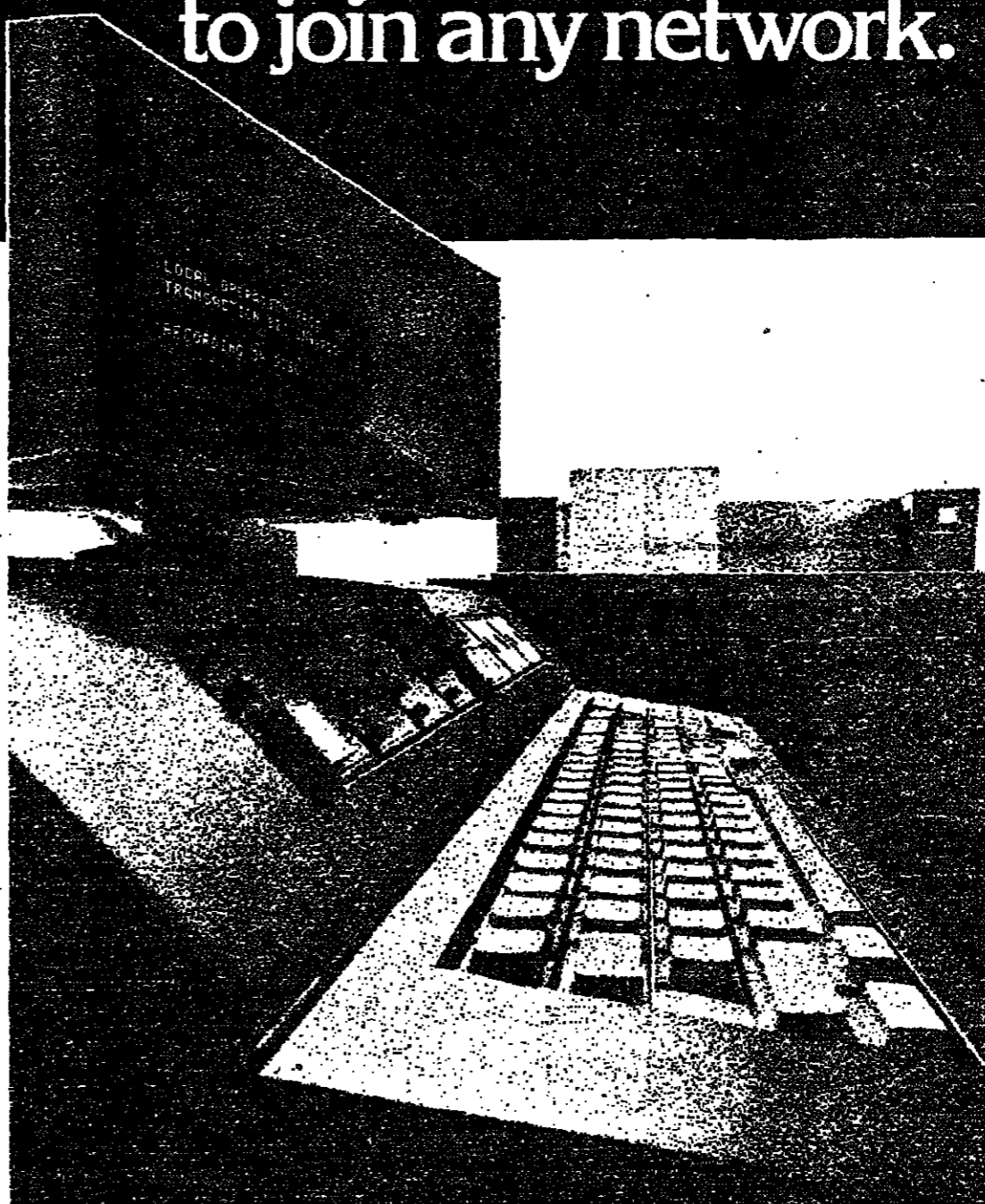
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ONE OF THE areas of development work on equipment serving computer installations in which there is no European presence worth a mention is COM, computer output on microfilm. Yet this could be a grievous gap if analyses and forecasts made by the BIS organisation about the market for methods of presenting output from a computer are correct.

The study was aimed specifically at analysing what would be the future of paper usage by the computer industry, bearing in mind the fact that prices for the high quality paper used in most types of computer output have been rising faster than basic pulp/paper costs. These are put roughly at inflation plus 10-20 per cent. Computer output usage is in the form of business forms, charts, tally rolls and the like, and the study says paper consumption is at or very close to a peak despite the expectation that installations may

double in number by the end of the decade.

BIS can show that 49 per cent of users rely extensively on TV type displays to get information out of their installations, rather than calling for a print-out, and expects this figure to increase to 84 per cent by 1980. At the same time, the percentage of operators who use COM for archival, management and functional information handling, either systematically or occasionally, will rise to close on half of a much larger market from 20 per cent now.

The implication of these last figures is that many first-time users of computing equipment will, a priori, go to COM output from their magnetic tape and construct their business systems largely around such output on microfilm or fiche. In fact, it is more than an implication in the view of many observers, who consider it to be an inevitable move because of the great increase in the clerical costs of handling masses of data on paper when the computer itself can control the production, storage and retrieval of vast amounts of information on microfilm.

Ingenuity

But COM equipment is not cheap and the lowest-cost unit brought out so far is about the price of a hefty minicomputer-based business system. Manufacturers have performed marvels of ingenuity to simplify what is inevitably a very complex electronic/chemical hybrid process, making their equipment virtually foolproof.

Two conclusions seem inevitable here. One is that the very fast growth of bureaux offering COM service must advance at the same rate for several years. The other is that the first company to build a simple and cheap COM unit with less plumbing (to deal with photographic chemicals), or none at all if a direct method of writing minuscule characters direct on film by steered laser beams can be made more compact and reliable, will have an immediate mass market.

This will expand rapidly as paper and staff costs continue to increase and methods are perfected to use microfilmed information not only as a final output product but also as a base from which to feed data directly to a computer for processing.

Appearance on the market of much simpler equipment is to be expected soon since both Datagraphic and 3M have already built viable laser-based COM recorders, while IBM is working on a novel method of transferring information from laser-beam to microfilm through a dye sublimation process. In the meantime all manufacturers are improving and simplifying their more traditional equipment—Datagraphic recently unveiled a down-market unit it calls Autocom.

Calcomp, whose equipment is handled in Europe by Agfa-Gevaert, is another group noted for its expertise in electro-mechanical equipment, while NCR has been particularly active in the median portion of the market with Quantor.

For the time being, however, it will be to the large users that potential converts to COM will look for innovation in the way the technique is applied. In this context comes the recent Barclays Bank decision to make far more extensive use than hitherto of the method. Fifth largest bank in the world and biggest in Britain, it already had considerable experience of microfilm before moving on to a big COM application—probably the most extensive to date in Europe. Nine Kodak Kom-80 microfilm units operating from computer tape are being installed, and 3,000 branches will receive microfiche readers, of which 5,000 have been ordered from NCR and 1,000

COMPUTER PERIPHERALS II

COM placed for growth



Eurocom microfiche viewers made at C and N Electricals in Shrewsbury.

will provide up-to-date balances customer billing, and a complete file for each customer. It is envisaged that each time there is a data change such as a new customer, the microfiche will be updated.

Significant in this context is that IBM made a thorough evaluation of the customer's application on the Agfa-Gevaert COM equipment.

Elsewhere in the bank work is in hand on using the system to provide signature copies for printers' validation of inter-bank drafts against a parallel back-up system to the on-line authorisation arrangement which will provide a standby in case of need.

There is also the consideration of privacy in the legislation now pending. It would be possible to provide each customer with a print-out on microfiche of all the personal details which the bank is holding on that customer.

Also of considerable interest is the use of microfiche in the audit trail of the 0.01 per cent of the bank's business which need not be audited.

Another very large user with a central accounting problem is the Yorkshire Electricity Board. IBM should move into this market as early as 200 million customers at 200 million per annum require technology and the laser show a COM breakthrough.

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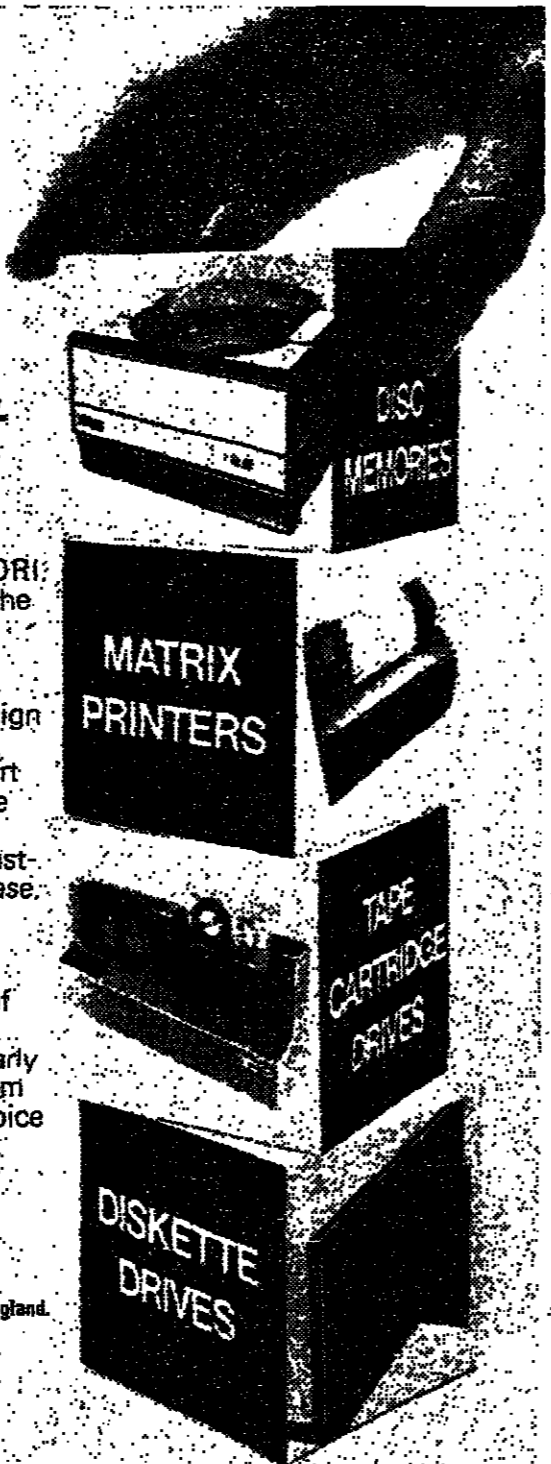
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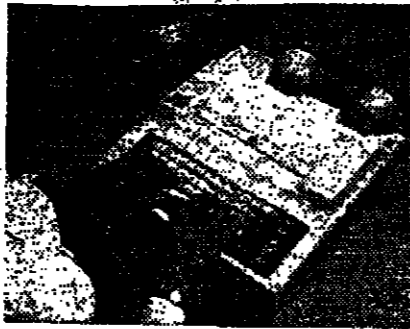
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Plug-compatible challenge

AS THE U.S. Department of Justice's IBM hearing in New York rumbles on into the fourth and last segment of this interminable lawsuit, there is in progress on the West Coast a battle between IBM and Calcomp, also largely concerned with peripherals and alleged monopolistic practices involving them. The West Coast procedures are expected to take six months to reach a conclusion—the main suit may not be completed by the anticipated date of June, 1977.

Since they are both of major importance to manufacturers who make plug-compatible equipment to rival that of IBM, the outcome of each is significant. But by the end of the hearing in New York Judge Edelstein may have accumulated trial transcripts equal to 100 times the book *Gone with the Wind* in length; how he is to review and evaluate such mass of detail is a matter for conjecture.

Some of the plug-compatible people attach little importance to these proceedings, basing their judgment on earlier victories won in European and American courts where users have been shown to have been harmed when IBM hampered their freedom to install its memory devices in replacement of IBM originals.

One manufacturer, Perotec, expects to grow to a \$50m turnover next year and produces tape drives and fixed and flexible discs for many applications.

Europe will continue to be a major centre of expansion for makers of mini-peripherals and especially the electromechanical ones—"not likely to be developed in Europe at this stage of the manufacturing cycle".

Ryal Poppa, president and chief executive, commenting on the appearance of IBM's long-awaited small machine, code-named "Pearl" but known as Series 1, said it would generate a large amount of new business for his own company, and presumably other plug-compatible operators. And his reaction to the proceedings is similar, since he reckons that the Euro-backing for "performance" equipment will be aimed mainly at minicomputers. This will be a boon to U.S. manufacturers of peripherals, since total data processing expenditure in 1985 will be a colossal \$100bn, while U.S. companies account for up to 70 per cent of sales in Western Europe where 55 mini-computer companies are active.

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anybody in the mini world had for some time been offering emulators for Digital Equipment Corporation's machines. With the aid of National Semiconductor, announced that it would be presenting to IBM users during the course of next year a central computer unit covering a large sector of IBM's large machine field with a target of at least 11,000 machines installed. Advanced Systems 4 and 5 are the basic machines under development but it is thought that it will ultimately cover the whole of the IBM range.

The interesting aspect of this development is that it is much more of a systems designer than a manufacturer, and that it, like Amihai, has called on major makers of advanced circuits to enable it to produce copies of IBM equipment but using the latest electronic engineering technology available. Observers in Britain with long experience of microelectronics see this as an important development because of the growing resistance to competition.

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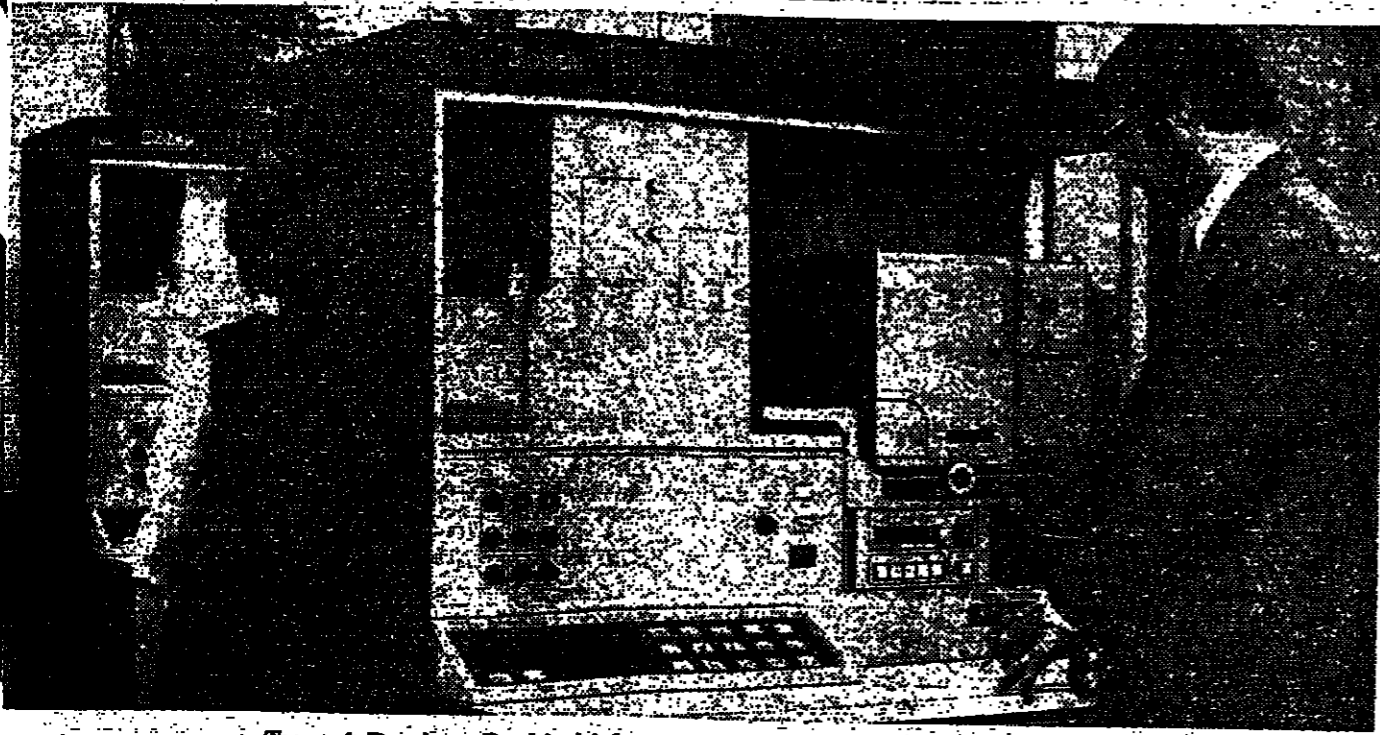
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Two of Barclays Bank's high-speed Kodak "Kom 80" microfilmers.

Rapid changes for raw data

OF ALL the various sectors of the computing systems market, the one is undergoing such a rapid change as the capture of raw data for processing. This is inherent in the way in which various suppliers have moved and in the degree of acceptance of their new products and operating ideas by users.

For most of the 1960's, market observers were predicting the end of the punched-card era at the hands of the developers of key-to-tape, optical character readers and mark sensors. But, in great numbers, albeit in a different version and to a growing extent at microcomputer sites, punched cards are still with us. IBM, at the low end of the business systems market, has offered 96-column card options in its new equipment. It has brought out, 96-column being associated peculiarly in the first instance with System-3.

A lengthy study of this area of the computer equipment market—which accounts for a fifth on average of spending on any computer site, by IDC Europe—shows how various major sectors have moved relative to each other over the last five years. It reveals how paper tape and punched card have suffered in the period at the hands of direct data entry and key-to-disc. What it also shows, if direct data entry is the system of the future (both at self-contained sites and also where a large decentralised network is in operation) is that ICL as the edge over IBM, in the technique in the U.K. and elsewhere in Europe where ICL has presence.

Punches

But there are 8,000 buffered punches in use in Britain and about 80 per cent of installations have them as a sole source of entry material. To talk of the demise of the card is to foretell rubbish since, in absolute terms, it is probably increasing in installation numbers. Significant too is the extent of the hold IBM still has on the punched-card market. ICL and Kode have the lion's

Challenge

CONTINUED FROM PREVIOUS PAGE

share of the U.K. paper tape stock control, spares and labour market, but the latter has just announced a replacement for paper tape and punched cards called DataVet. This has combined the accuracy of information entry by visual display with data cassette storage, and ability to emulate the remote job entry terminals of the Big Four, all under the control of a micro-processor.

Ability to replace remote job entry terminals from the majors and to work with small business systems from NCR and Philips is important. It gives Kode a large area to concentrate on, in which it already has many sites and it offers users of less powerful computers a way of increasing their efficiency by taking the plus of data preparation from the original processor.

Each Kode key-station is independent and provides a pre-main computer validation. Kode thus joins with a host of other suppliers of key to disc equipment who have sought to break the dominance by IBM of the card-market by bringing in a much more advanced technology for data capture.

Whether Kode, Regillon, MDS, Intercom, Inforon, and Olivetti will still be competing with the main frame makers in this area in the 1980's is a matter for conjecture, especially as IDC sees the key to disc market peaking in 1978.

Direct data entry, either on the smaller machines of new ranges, or via intelligent terminals at remote sites is the key. But such terminals play a dual role and are no longer simple data capture devices since they have a degree of computational and conversational capability which far removes them from the input terminals of five years ago.

If the larger manufacturers are going to integrate data capture in all their products, the opposition will have to seek new areas of endeavour. What these could cover is shown, for instance, by the Plessey venture into data capture with a portable unit launched in early 1975. In a very few months its point of sale (POS) data capture attracted close on \$1m worth of orders. Early attempts to provide large U.S. department stores with massive net-

ITT Business Systems

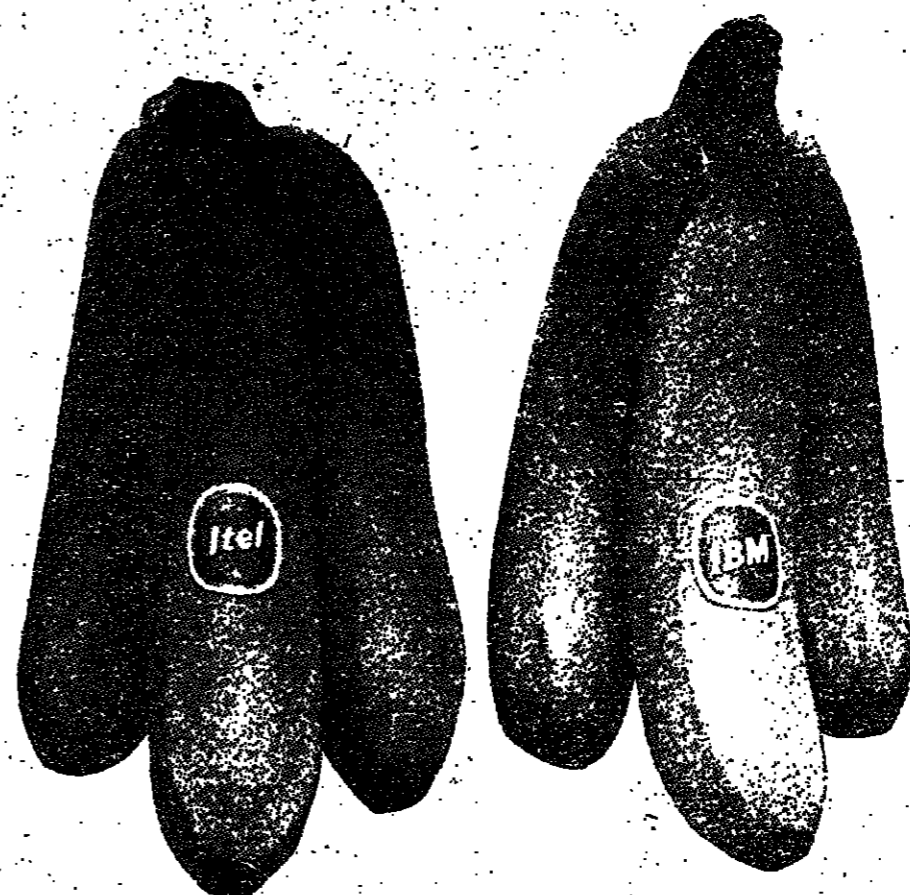
New thinking in data communications

data communications equipment and systems
message and data switching systems
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displays
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There is only Ittel.

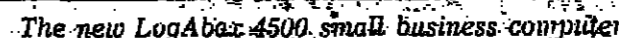
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Having made the choice and installed a system (or not, as the case may be) the user will almost certainly find that, with familiarity, a number of new applications are crying out to go on the machine — but there is not enough capacity, at least at first sight. It would be wise in this case, rather than calling in the original supplier, to talk to such people as BIS Applied Systems who specialise in preventing users (but generally the larger ones) from rushing into



available over the next 18 months or so. Now under the wing of the National Enterprise Board, the £10m Data Recording Instruments Company (Dricon) has made a particularly vigorous appearance and growth of "honest broker" groups, who have seen engineering can- not an unnoticed in the A very high and the product of a worldwide which are m- thousands of line terminals over the world

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FARMING AND RAW MATERIALS

U.K. timber estimate revised

by A. Correspondent

THE U.K. softwood statistical committee has arrived at revised estimates of import and export for 1976 and 1977. The U.K. delegation at the European softwood importers' exporters conference withdrew the figures for the meeting held in London at the end of last month because of drastic changes in the economic situation in the revised estimates for 1976 put import and export consumption higher by 50,000 cubic metres at 7,150,000 cubic metres. But the year-end stock figure has been left unchanged at 2,132,000 cubic metres.

Shaky start to EEC-Norway fish meeting

BRUSSELS, Nov. 18.

NEGOTIATIONS BETWEEN Norway and the Common Market on rights to fish in the waters off the coast of Norway got off to a difficult start today with Norway demanding access to within 12 miles of the British coast, informed sources said.

This was rejected by the EEC Commission, which is negotiating on behalf of the Community and which only has a mandate to discuss access to the Community's 200-mile zone without designating specific areas at this stage, they added.

The Norwegian claim, made by Norwegian Minister of the Sea, Jens Evensen, is unacceptable to Britain, which is seeking an exclusive 50-mile hand round its fisheries. This would exclude other EEC states as well as non-members like Norway.

Mr. Evensen said that access to British waters is of vital importance for fishermen in Western Norway who took about 90 per cent of their North Sea catch in an area between 12 and 50 miles off the British coast.

He said he wanted to phase out fishing off southern Norway by vessels from West Germany and France over a period of three to five years. But the Commission rejected any suggestion that Norway be allowed to treat individual EEC nations differently.

New marketing scheme for Australian wool urged

THE Australian Wool Corporation has recommended to the Primary Industries Minister, Mr. Ian Sinclair, that it be allowed to compulsorily acquire all lines of a particular type of wool from each farmer of up to six bales, the Corporation chairman, Mr. A. H. Maiden, has told the Australian Wool Industry Conference annual meeting here.

In addition, the corporation recommended that it be given the right to buy additional wool over and above the six-bale limit if needed for particular purposes.

Mr. Maiden said the proposal is a step towards implementing the corporation's 1973 monopoly marketing scheme and is based on compromise suggestions by Mr. Sinclair.

Earlier, conference chairman, Mr. Don Von Brin, said the scheme is unacceptable to the Australian Government although Mr. Sinclair believes it should be implemented in steps.

But Mr. Maiden believes the recommendations represent the achievement of worthwhile objectives for the industry.

What they may provide is the more efficient handling of small lots and an opportunity for the corporation not to have to rely on its dwindling stocks as the sole source of wool under its control, with which to develop more important handling innovations, he said.

The corporation recommended it have the right to buy wool over the six-bale limit as even if the scheme is based on compulsory acquisition of up to six bales, significant demand for certain types could demand the Corporation stocks.

This could leave it powerless to exercise short-term price stabilisation for certain types, as has happened this season, and also unable to assure supplies, if needed for special marketing initiatives, he added.

Computer analysis showed if the cut-off point was lower than six bales per grower line, the types of wool entering the corporation's inventory would be significantly out of balance with the average clip.

Mr. Maiden stressed that the corporation believes the 1973 scheme represents the best valid blue-print of the direction in which the wool industry must move to obtain the optimum benefit.

The industry's full potential will not be achieved until most of the clip is acquired by a single authority, Mr. Maiden said.

He noted one of the scheme's recommendations, the resource price scheme, has been adopted. The scheme proposes that the corporation acquires all wool for export and act as a single seller, board member Mr. David Aspinus said.

Farm expansion plan concern

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

MR. JOHN SILKIN, the Minister of Agriculture, has been told by the leaders of the farmers' unions that there is growing concern among farmers that the Government's plan to see a healthy and productive agricultural industry, able to meet the investment needs of the expansion envisaged in the White Paper.

Introducing the letter, Sir Henry Plumb, president of the NFU, said yesterday that to restore any degree of confidence, the Government had to assure farmers that they would be able to measure up to last year's White Paper. Food From Our Own Resources. A letter to this effect has been sent to the Prime Minister, Mr. Callaghan.

U.S. soya rise likely

WASHINGTON, Nov. 18.

U.S. SOYABEAN farmers will probably expand their acreage by about 10 per cent next year, from the 50m. acres planted this year, if the price ratio between soyabean and maize holds at its present level of about 2.5 to one, into next spring, Mr. George Kromer, U.S. Agriculture Department (USDA) economist said.

Mr. Kromer, in remarks to the

SYDNEY, Nov. 18.

He said the proposed partial acquisition plan before Mr. Sinclair would enable the corporation to acquire around 1.75m. bales a year, nearly 40 per cent of the Australian clip.

Mr. Maiden also told the conference that the flexible reserve price support will normally be used only for "pot-holing" this season.

"Pot-holing" means using the reserve price to support particular lines showing unusual price falls at auction.

However, should the market take a downturn in opposition to the market outlook, the corporation would use flexible reserves to help prices stabilise at a level and also a tendency in keeping with the longer-term market situation, he told the Australian Wool Industry Conference annual meeting here.

Possible causes of such a downturn include a general undue reaction to previous price rises or currency speculation.

Mr. Maiden said. He added that the corporation has used its flexible reserve powers a couple of times this season, including this week.

The corporation believes an important contribution to this season's strong opening tone was its rather forceful use of its flexible reserve price support during the closing weeks of last season, he said.

Reuter

Cocoa price decline accelerates

By Richard Mooney

THE DOWNTURN in cocoa prices accelerated yesterday with the March futures position losing another \$2.75 to close at \$1,908.5 a tonne. Dealers said waves of stop-loss selling forced the market down until trading emerged at the lower levels.

Such a reaction had been widely expected following the recent dramatic rise in prices. Traders pointed out that while the slide of the pound has an exaggerated effect on cocoa prices, the subsequent firmer tone had not been fully reflected.

Most dealers nevertheless see the current plateau as a temporary phenomenon and expect the "bull" trend to be resumed fairly soon. Concern over West African crop prospects is still overhanging the market while the full effects on consumption of the recent rise are not expected to be apparent until the middle of next year.

Forecasts that this week's Ghana main crop cocoa purchases will be declared at around \$2,000 a tonne—the highest figure for this season—are thought to have played a part in yesterday's decline, though a figure much below this level could lead to grave concerns over Ghana's crop prospects.

Cocoa values also fell sharply—the January position reaching \$2,160 a tonne at one time—but bounced back to end the day \$1.50 lower at \$2,235.5 a tonne.

Heavily trading was reported as dealers, nervous about the possibility of a major reaction to the recent rise, liquidated their holdings. But the falls seem to have been overdone and speculators took the opportunity to buy cocoa heavily at the lower levels.

World food shortage warning

PARIS, Nov. 18.

THE WORLD faces a food shortage if action is not taken to set up an international food stockpile system in the near future, UNCTAD Secretary-General, Mr. Y. Daudoo, said.

Another good world wheat crop next year would drive prices down from \$2.50 per bushel and this may discourage marginal producers in Australia and the U.S. from growing wheat in the following year, he said.

"Two good crops in succession could result in drastic action by producers in 1978," he said.

U.K. AGRICULTURE

End of the landlord and tenant system

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE Agriculture (Miscellaneous Provisions) Act which received the Royal Assent this week will probably mean the end of the landlord and tenant system which dominated the farming scene in Britain from the modernisation of farming in the 18th century with the passing of the enclosure Acts until the end of the 1914 war.

This is because the Act guarantees the succession to the tenancy of a deceased tenant's son, daughter or close relative, provided that they have been engaged in farming on the holding for a period previous to the original tenant's death.

Faced with the virtual impossibility of resuming possession of his land within two or three generations, few private landlords would willingly let a farm, particularly when it is let, reduces its value to about a third of what a similar farm would make with vacant possession.

In any case, modern legislation now classifies the rent of land as investment income, so further reducing its attraction as an investment for the tenant. Institutional investors, whose sole interest in landowning is financial, could see advantages in long-term tenancies.

Negative

Private landowning has been declining for many years. At the turn of the century, only 10 per cent of land in the U.K. was owned by those farming it. Today the proportion owner occupied is about 50 per cent.

The main cause of change was the increasing effects of Estate Duty and the later war-time slump. Estate duty could, in the end, be avoided by various means, but during the 30s the depression in farming was such that landowning was a negative investment.

The depression was particularly severe on arable farming, which had already been hard hit

by a similar depression in the 1850s. But grassland areas, for the very long term, have not been over-improved still, though the argument that they were capable of producing an income without the expense of working the land in any way. Kents for dairy farms were still maintained while those for arable holdings were negligible.

In the mid-thirties I refused an offer of a good farm in Shropshire at a concessional rent of £2.25 an acre, and took instead an arable farm on the chalk at 65 pence an acre. At various times between then and the beginning of the war I rented useful land, some of which I still have, at prices between 25p and £1 an acre—the last for an all grass dairy farm.

One of the reasons for the cheapness of arable land to rent was the need to pay the outgoing tenant's valuation for such things as cultivations, hay and straw. In some cases the valuations could exceed the then capital value of the land. Any tenant with capital to invest in the land would secure a negligible rent over the years. In other cases landlords paid the valuations in order to make sure the farm was farmed by a satisfactory tenant.

In the south of England in the early 30s arable farms were in many cases converted to dairying. In East Anglia, many farms became dairies. Since the Napoleonic wars there have been three periods of great arable prosperity: 1800-12, 1860-75 and the present one. The first two were followed by long depressions. The present prosperity has not ended.

The grassland areas during this period did not share the depression. It is significant that a great part of the old established families, if the landlord used them effectively, that a tenant will have elsewhere they had to dedicate their estates to survive. There or give up the holding. There is probably a lesson here for not much wrong with that.

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Generous

It was also my experience that the majority of landlords were basically uninterested in farming. By the time I became involved, most of the families who had been forced out, and their successors or survivors were those with outside interests who appreciated the amenity of landowning, with its sporting and social cachet.

Some of these individuals and families were generous to their tenants, forgiving them rents in hard times. But it was no more than the price they had to pay for the very considerable pleasures of English country life.

It is probable that the pattern of landowning will change still further. Tenancies will seldom change, but this need not effect farming efficiency, whatever one hears about the need for new blood and so on.

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AUTHORISED UNIT TRUSTS

Unit Tr. Mgrs. Ltd. (a/c) Capital 100.00 Income 100.00 Dividend 100.00 ...	Bridge Fund Managers (a/c) Capital 100.00 Income 100.00 Dividend 100.00 ...	G.T. Unit Managers Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	Kleinwort Benson Unit Managers Capital 100.00 Income 100.00 Dividend 100.00 ...	Mercury Fund Managers Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	Preciadly Unit Tr. Mgrs. Ltd. (a/c) Capital 100.00 Income 100.00 Dividend 100.00 ...	J. Henry Schroder Wagg & Co. Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	Target Tr. Mgrs. (Scotland) (a/c) Capital 100.00 Income 100.00 Dividend 100.00 ...
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INSURANCE, PROPERTY, BONDS

selection of the share prices previously shown under regional headings is set below with quotations on London, Irish issues, most of which are not listed in London, are shown separately and with prices as on the Irish exchange.

Share	Price
... (list of shares)

FOOD PRICE MOVEMENTS

Nov. 18	Week ago	Month ago
... (list of food items)

LA PRESERVATRICE S.A.

The Annual General Meeting of the Shareholders of LA PRESERVATRICE S.A. met under chairmanship of Mr. Raymond MEYMAI, on 8th and approved the accounts for the last financial year ended on June 30th, 1976.

The Directors' report mentions an increase of Group's turnover of about 20%.

Investment income increased from F13,992,410 F18,242,525, an increase of 30.37%. Nearly all subsidiaries and portfolio investments contributed their dividends than for the previous financial year.

The profit and loss account shows a net profit F17,925,113 compared with F12,586,128 for 4/75, i.e. an increase of 41.6%.

Since the available profit, including the balance right forward from previous year, amounts to 3,755,742, the General Meeting voted to increase dividend by 15%, to F23 per share, giving a total income of F34.50 including the F10 tax already due to the Treasury. This dividend will be paid as in October 1977.

Messrs. Jacques de NERVO and Dominique CA, respectively Director and Auditor, have been elected.

The Chairman after describing the activity of Company's main subsidiaries during the initial months of 1976 confirmed that LA PRESERVATRICE S.A. is carrying on the negotiations for the acquisition of the WORMS Group, of a majority interest in LA FONCIERE T.I.A.R.D. through an exchange of shares and announced that an Extraordinary General Meeting of Shareholders will be held next December on this matter.

Abbey Life Assurance Co. Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	The City of Westminster Assur. Soc. Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	Hambro Life Assurance Limited Capital 100.00 Income 100.00 Dividend 100.00 ...	Lloyds Life Assurance Capital 100.00 Income 100.00 Dividend 100.00 ...	Property Equity & Life Ass. Co. Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	Slater Walker Insurance Co. Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...
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OFFSHORE AND OVERSEAS FUNDS

Arbuthnot Securities (C.I.) Limited Capital 100.00 Income 100.00 Dividend 100.00 ...	Delta Group Capital 100.00 Income 100.00 Dividend 100.00 ...	Hambro Pacific Fund Management Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	Kleinwort Benson Limited Capital 100.00 Income 100.00 Dividend 100.00 ...	Old Court Commodity Fund Mgrs. Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...	TSE Unit Trust Managers (C.I.) Ltd. Capital 100.00 Income 100.00 Dividend 100.00 ...
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NOTES

Prices do not include 5 pence, where applicable, and are in pence unless otherwise indicated. Values shown in italics are calculated on the basis of the latest available information. Values shown in bold type are calculated on the basis of the latest available information. Values shown in bold type are calculated on the basis of the latest available information.

TRUSTS Continued

[illegible]

ed on merger terms. x Dividend and yield include a special payment; Cover does not apply in special payment. y Dividend and yield. z Preference dividend assumed or cashed out. G Gross. H Preferred stock price. I Dividend and yield after pending terms and/or future issue. J Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978-79. M Figures based on prospectus or other official estimates for 1979. N Dividend and yield based on prospectus or other official estimates for 1980. O Gross. P Figures assumed. U No significant corporation Tax payable. Z Dividend total to date.

Recent Issues" and "Rights" Page 25.

Israel ready to respond on Sadat peace offer

BY OUR FOREIGN STAFF

ISRAEL is drawing up a response to President Sadat's statement that he was prepared to sign a peace agreement in return for withdrawal from all occupied territories and the establishment of a Palestinian State in them.

His proposal is to be discussed at Sunday's weekly Cabinet meeting amid a growing realisation that Egypt, Syria and the Palestinian Liberation Organisation are mounting a co-ordinated political campaign in preparation for a resumption of U.S. efforts to mediate after Mr. Jimmy Carter's inauguration.

Initially, Mr. Sadat's proposal was treated with scepticism by the leading and divided triumvirate in the Israeli Government made up of Mr. Yitzhak Rabin, the Premier, Mr. Yigal Allon, the Foreign Minister and Mr. Shimon Peres, Minister of Defence.

The tendency in official circles is still to dismiss President Sadat's statement as a propaganda play but the need for a positive reaction is now fully

appreciated by Israel's leadership.

One major question—the Israelis want to clear up—is Mr. Sadat's definition of a "peace agreement".

The Israeli Government now seems to feel that a deal of potentially historic significance may have been struck at the restricted summit of Arab leaders at Riyadh which preceded the full-scale summit last month.

The agreement by Syria, Egypt and the PLO on a Lebanese peace settlement appears to have been the basis of another understanding—namely that the mainstream of the Palestinian resistance movement would suspend hostilities against Israel and pursue a peaceful settlement aimed at the establishment of a State on the West Bank and in the Gaza Strip.

Speaking on TV on Wednesday night, Mr. Rabin stated unequivocally his readiness to meet President Sadat without preconditions. His assertion was

widely welcomed in Israel.

According to official circles in Tel Aviv yesterday, Israel has already transmitted its proposals through "the correct diplomatic channels"—in other words Washington—but was still awaiting an answer.

This apparently was a reference to the message sent to President Sadat via the U.S. Administration seven months ago which Israel offered "far-reaching territorial withdrawal" in exchange for an "end to the state of war".

Yesterday at the UN Mr. Chaim Herzog, Israeli Ambassador, accepted the challenge made by Jordan in the same forum the previous evening in expressing readiness to begin negotiations. But he made no reference to the condition that "the inalienable rights of the Palestinians are restored".

U.S. State Department officials and Israeli diplomats in Washington say that the Israeli and Egyptian Governments have exchanged views on a Middle East peace settlement through two

Bank bid to check MLR decline

By Peter Riddell, Economics Correspondent

MINIMUM Lending Rate may fall to-day by quarter of a point from its present 15 per cent. The Bank of England yesterday intervened in the money market to prevent a steeper decline.

The outcome this afternoon will depend on the market's reaction to last night's announcement of the resumption of the bank's intervention in the money market to prevent a steeper decline.

The news came after hours in Europe, but in New York sterling moved sharply higher in active trading with an increase of up to 24 cents on the London close at \$1.6840.

A slight check to the recent strength of sterling occurred earlier as some predicting and speculation about a possible fall in interest rates led to a closing fall in London of 10 points to \$1.6590 after a range of \$1.6575 to \$1.6692.

The closing London rate was 320 cents higher on the week so far. The weighted depreciation has narrowed from 42.2 per cent to 44.9 per cent in the last four days.

The strength of sterling has been an important influence behind the advances in the gilt-edged market. A further rise yesterday meant that a selling price was at last established for the new long term Treasury 15 per cent 1998, though there was little business. There was speculation in the market about the possible announcement to-day of a new short term with a 1981 date.

Treasury bill rates have been signalling a possible fall in MLR this afternoon of half a point or more, but the Bank of England made it quite clear that this would not be welcome.

The indication that the authorities would like to see any fall come in gradual steps of quarter of a point was given when the Bank lent a "moderate" amount for one week at MLR to 11 or 12 discount houses.

This was taken by the market as a sign that while the authorities wanted to avoid too steep a fall, a cut of a quarter of a point in the MLR would not be discouraged if this was indicated by money market rates under the usual formula.

Continued from Page 1

Squeeze

The funds switched from present foreign borrowing. The aim of the new exchange controls is to stop banks in the U.K. from providing sterling finance for trade carried out outside this country but involving overseas sterling area countries.

They also terminate the use by U.K. merchants of official exchange to finance trade between third countries. The move will bring a substantial curbing of the flow of foreign currency as drawings under present facilities are repaid. It is also expected to help protect the exchange rate at times of pressure in the future.

The changes follow recent signs that this form of finance had been growing, partly as a result of the widening of the forward discount on sterling which had made it attractive to finance trade in this currency.

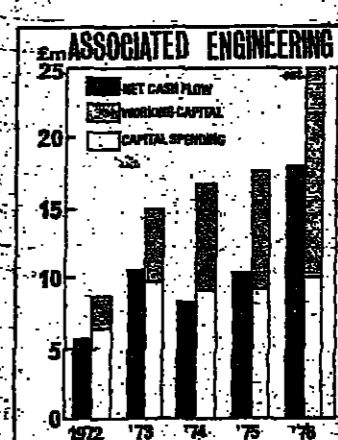
The move will have no impact on money supply, but it will help to reduce domestic credit expansion which is also of interest to the IMF.

It was explained that it was felt to be no longer appropriate with recent developments in bank lending and the exchange market for sterling finance to be provided from the U.K. for third country trade.

THE LEX COLUMN

Squeezing out the private sector

Index rose 5.9 to 317.0



Stage one of the Government's monetary stabilisation programme—involving the hike in MLR and the massive gilt-edged sales effort—is more or less completed. Now comes stage two with the return of the banking "corset" which, as on its first appearance in December 1973, arrives just over a month after MLR reached a new peak. On present interest rates should now start to ease; last time, MLR fell by a quarter-point three weeks after the corset was imposed, and a declining trend was established over many months. But on this occasion the specified growth of interest-bearing eligible liabilities—only 3 per cent over six months, against 8 per cent. Inevitably, the authorities are having to make a savage attack on the expansion of bank lending in order to keep within the 12 per cent money supply target for the current financial year.

It seems that the money supply figures appearing next Monday will show growth of between 1 and 1.5 per cent, despite the massive gilt sales during the banking month of mid-October. This will leave only about 2 per cent to be made over the next five months (though November, at least, was good). Now the banks have to cope with a 3 per cent ceiling on growth of IBELs, which 2.8 points had already been used up by mid-October. The ban on overseas sterling finance will bring resources back into the U.K., but even so the banks are going to be looking very carefully at their lending commitments in the months ahead.

What is worrying is that such a low volume growth apparently imposed curbs should have been applied to a sizeable part of the credit when the latest 1978 31 per cent sales rise is so far ahead of the target. The Treasury's view is that the economy has risen little more confident about the scope for further increases in its markets, than 1 per cent from 1973 and price increases are still worth several million, the comparable gain was around 84 per cent. This is crowding out

Beecham

Beecham's profits took off in the second half of 1978-79, and the pattern has extended through the first six months of the current year, with a rise from £56.5m. to £55.5m. pre-tax. Currency movements explain £4.5m. of the increase and the main momentum has come from the pharmaceutical side which is up from three-fifths to nearly two-thirds of the profits total.

The U.S. has been the biggest single growth market, and the European division has also done well; sales in Japan seem to have hit a temporary plateau. Now that overall profit margins have climbed back above the level of the early 1970s, there is an obvious question mark over the rate of growth from now on. But the pharmaceutical side, which produces much higher returns than the consumer side, is considerably larger proportion of profits than a few years ago. More volume growth apparently explains a sizeable part of the improved when the latest 1978 31 per cent sales rise is so far ahead of the target. The Treasury's view is that the economy has risen little more confident about the scope for further increases in its markets, than 1 per cent from 1973 and price increases are still worth several million, the comparable gain was around 84 per cent. This is crowding out

£30m. or more this year? It is worth thinking about whether U.K. acquisition could provide a solution.

Assoc. Engineering
Associated Engineering is looking back for its second issue within 18 months, and third in nine years. The paper has a reasonable profit. Profits are growing much faster than anticipated, with a "significant increase" expected to follow a rise from £13.7m. to £14.7m. pre-tax in the year just ended. The return on capital employed has climbed to 24 per cent. In addition the group has good products story—in diesel engine components—ambitious expansion plan. Capital spending is scheduled to reach £35m. over the next five years, which is roughly the recent rate.

However, AE admits financial constraints have suited it under investment in the past. Inflation is a drag on the balance sheet, since stocks are only worth about four times their cost. And the profits progress has not been due to any growth in volume, but rather changes in the sales pattern, favour of the higher return areas. That is obviously something for which the management deserves full credit. But the game which the other players are playing very hard indeed.

Booker/Kinloch

Booker McConnell has bought 84 per cent of Kinloch (Protein Merchants) in the market over the past year or so, 30 per share (£10.1m.) for a rest—provided it gets agreement at Board level. This represents quite a price for business with earnings for the last reported 12 months of 1 per share, and net assets of about 180p. However, Kinloch has cash balances of about £3m. and a disposable proper worth several million. And it would almost double the size of Booker's existing U.K. food distribution interest overnight. Its shares have been relatively strong for some time past and to judge by recent experience, a bid premium of 48 per cent on the market price is not by itself a clincher. Kinloch's likely reaction to an open question.

New watch urged on capital markets

By Michael Lafferty

A NEW City regulatory body, similar to the Takeover Panel but with a wider supervisory role, was urged last night by Nicholas Goodison, the Stock Exchange's chairman.

Repeating a suggestion he first mooted in a speech last month, Mr. Goodison said that such a body should be set up by the financial institutions. He told the Manchester Society of Chartered Accountants that the Stock Exchange was under the aegis of the Bank of England, studying what changes were necessary to improve supervision of the capital markets and their users.

Greater co-operation between the various bodies in the securities industry was "a natural development of what we have been doing and working towards for many years".

Highlighting the close and vital links between the Stock Exchange and the accountancy profession, he said that the Exchange relied heavily on the auditing skills of accountants in supervising the conduct of member firms and of listed companies.

Voluntary

Mr. Goodison's proposed voluntary supervisory body follows last month's announcement by Mr. Edmund Dell, the Trade Secretary, that the Government was not to set up a statutory Securities and Exchange Commission to police the City.

Instead, Mr. Dell said, the present system of self-regulation is to be extended in a number of respects while the Bank of England is to improve its "surveillance" of the securities industry.

Although discussions about City supervision have been going on for some time no firm proposals or terms of reference for any new regulatory body appear yet to have been circulated.

In particular, it remains to be seen how any new organisation would fit in with the structure of the City Panel on Takeovers and Mergers.

Cost of forest fires tops £1m.

More than 4,500 acres of forest worth over £1m. were lost because of fire during the long summer drought, the Forestry Commission said yesterday. The value of the loss is the highest in the Commission's 37-year history.

Deal on date issue could revive Rhodesia talks

BY DAVID EGLI

NEGOTIATIONS ON the structure of an interim government for Rhodesia, the basic purpose of the talks here, are expected to get underway to-morrow with the participation of all delegations.

The Patriotic Front, which until now had refused to move on this question until the date of independence was settled to its satisfaction, is to give a formal and largely positive response to Britain's deadlock-breaking concession of a target date for the conclusion of the conference here on December 30.

This offer—combined with assurances that the new deadline would not change Britain's pledge of independence by March 1, 1979, at the latest—was made earlier to-day by Mr. Ivor Richard, the conference chairman.

Initial reaction to this combined offer in the delegation of Mr. Joshua Nkomo was favourable, but as discussions within the Patriotic Front continued for much of the day, there were no sure indications of whether Mr. Robert Mugabe would fall into line.

The Front, however, has now been provided with what appears to be an unequivocal response

to the argument that, until a terminal date was set for the talks here, the whole process leading towards independence could be prolonged through stalling tactics by the white Rhodesians.

The response of the Front to be delivered to-morrow will call for the elimination of the phrase in Mr. Richard's initial proposal which links the independence date to the assumption that the conference would be concluded by the end of this month.

It is understood that no other major changes are being proposed, and Britain is not expected to raise any objections to this modification.

Mr. Richard has now, in effect, gone back on his position that no less than 15 months was necessary to ensure the smooth change over to black majority rule and the transfer of power to an elected government.

While there was some surprise here that he immediately indicated Britain's willingness to reduce the transitional priority share to a mere three months, this is a further negotiating card. It is felt that this was inspired by the urgent need to get the conference back on course as soon as possible or risk a final breakdown.

Although Bishop Muzorewa

would appear to have been content to pursue talks on structures with the Front delegation sitting on the sidelines, there would have been little point in continuing such an exercise in terms of Rhodesia's future.

Mr. Richard must also be aware that his preliminary discussions on such matters with only two of the nationalist delegations had been taken about as far as they could safely go without a further and serious deterioration in the atmosphere here.

The pressures on the Patriotic Front, which have been building up over the past few days, apparently came to a head with the arrival in Geneva of the Foreign Ministers of Angola and Mozambique. Despite the more radical stance of their Governments, they are believed to have been urging a more flexible approach on the part of the Patriotic Front.

Meanwhile, more pressure for letting the talks move forward has come from the observers of the other front-line States.

Besides humane considerations, an escalation of the guerrilla war could hardly be expected to produce significant results within a short time.

Carter Hawley Hale regrets House of Fraser deal

BY JAY PALMER

CARTER Hawley Hale, the U.S. store chain which bought a 20.5 per cent equity stake in House of Fraser in 1974, has admitted that the purchase was a mistake.

"If we had the investment to make over again, we would not have made it," Mr. Edward Carter, chairman of the California-based company, told New York securities analysts.

"In the short-term we do not look smart."

Mr. Carter insisted that his company had no intention of selling its British investment. But he did calculate that a sale now would cost about \$18m. in reduced group profit.

Carter Hawley's jaundiced view of its Fraser investment seems to end for the time being speculation that the aggressive and fast-expanding U.S. group might increase its equity stake and take over direct management control.

Carter Hawley originally agreed to buy a 20 per cent hold-

ing in House of Fraser from Sir Hugh Fraser, chairman of House of Fraser and Scottish Investments (Suits) and also a director of the company.

In August this year it was revealed that \$4.7m. of loans made by Suits appeared in the 1974-75 accounts as cash. This emerged when \$4.2m. of the loans were written off the books for the year ending March 1976. It also came to light that directors, including Sir Hugh, had made substantial sales of their personal holdings prior to this.

Sir Hugh has since resigned as managing director of Suits. He has accepted full responsibility for the loans.

The auditors, Touche Ross, have resigned because of their failure to spot the error. The Institute of Chartered Accountants of Scotland is conducting an inquiry into Touche Ross and three chartered accountants who are Suits directors.

NEW YORK, Nov. 18.

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Tory leadership reshuffle expected to-day

BY RICHARD EVANS, LOBBY EDITOR

MRS MARGARET THATCHER, the Conservative Leader, will announce a substantial reshuffle of the Tory Cabinet and of the Tory Front Bench to-day, before the start of the new Parliamentary session next Wednesday.

The intention is to retire some of the older or less successful members of the Shadow Cabinet and introduce fresh blood from the back benches to weld together a more effective, aggressive team before the next General Election.

There has been a substantial degree of criticism from Tory supporters in the country about the effectiveness of the Shadow Cabinet, although Mrs. Thatcher is invariably excluded from the sniping.

This has lessened in recent weeks, after Tory by-election

Spain to have a Parliament

BY ROGER MATTHEWS

THE SPANISH Government won its battle tonight within the Cortes regime over constitutional reform, but at the cost of concessions likely to be strongly opposed by Left-wing parties.

After three days of debate the Cortes voted 425-59 with 13 abstentions, for the Government's amended draft law. This is well over the required two-thirds majority. Sr. Adolfo Suarez, the Prime Minister, smiled broadly as the decision was announced.

The law provides for direct elections by universal suffrage to a new two-tier Parliament that will replace the Cortes, a mainly appointed chamber which acted as a rubber stamp for the decisions of the late Gen. Franco.

The new Upper House, or senate, will be elected on the basis of four members a province, giving King Juan Carlos the right to appoint up to a fifth of the chamber. There will be simple majority voting.

Tense negotiations between

the Government and its Right-wing opponents in the Cortes were centred to-day on the method of election for the Lower House. Eventually a compromise was reached between the wish of the Government for proportional representation and the demand for a significant number of deputies for a "simple majority" system.

Although the vital electoral law has yet to be drawn up it was agreed that the proportional representation scheme would be modified to prevent too many parties gaining access to the Lower House, and that a certain number of members would be allotted to each province.

The size of the Government's victory is an indication of the confidence felt by many of the more Right-wing members of the Cortes that they have achieved the best possible terms for facing the electorate.

King Juan Carlos is expected to announce shortly a national referendum on the issue,

MADRID, Nov. 18.

probably on December 12 or 13. Sr. Suarez had warned privately that if the Cortes did not provide the necessary majority for the legislation, he would ask the King to dissolve the Chamber and go straight to a referendum.

However, neither the Government nor the Popular Alliance, a recently-formed party headed by six ex-ministers who control an important number of Cortes's votes, wanted to call the others' bluff. The Popular Alliance had threatened to abstain from voting unless some of its demands on electoral procedure were met.

Tough decisions will limit the amount of manoeuvre the Government will have in future conversations with Left-wing parties over the content of the electoral law. Resistance in the Cortes to-day was at one time strengthened by reports that these talks would be held immediately after the reform law was approved.

Weather

UK TO-DAY
FOG AND FROST in most areas early and late. Sunny spells. London, S.E. England, E. Anglia. Cloudy, mainly dry; some rain on coasts. Max 10C (50F). Cent. S. S.W. England, E. Mid. lands, Channel. F. Fog, frost early and late; sunny spells. Max 10C (50F). E. N.E. Cent. N.W. England, Wales, W. Midlands, Lakes, I. of Man, Borders, S.W. Scotland, Edinburgh, Dundee, Glasgow, Aberdeen, N. Ireland. Fog, frost early and late; persistent drizzle. Sunny spells. Max 9C (48F). Aberdeen, Highlands, Moray. Frost, N.E. Scotland, Argyll. Moderate-frost, valley fog early. Sunny spells. Outlook: Occasional showers. Dry in S. Becoming colder. Lightning: London 16.38, Manchester 16.37, Glasgow 16.34.

BUSINESS CENTRES

City	Index	Change
Alexandria	100	0
Amsterdam	100	0
Antwerp	100	0
Athens	100	0
Bombay	100	0
Buenos Aires	100	0
Cairo	100	0
Calcutta	100	0
Canton	100	0
Cebu	100	0
Hankow	100	0
Hong Kong	100	0
Kobe	100	0
London	100	0
Lyons	100	0
Manila	100	0
Medan	100	0
Mexico	100	0
Montevideo	100	0
Moscow	100	0
Odessa	100	0
Peking	100	0
Rangoon	100	0
San Francisco	100	0
Singapore	100	0
Sourabaya	100	0
Tientsin	100	0
Yokohama	100	0

HOLIDAY RESORTS

City	Index	Change
Alexandria	100	0
Amsterdam	100	0
Antwerp	100	0
Athens	100	0
Bombay	100	0
Buenos Aires	100	0
Cairo	100	0
Calcutta	100	0
Canton	100	0
Cebu	100	0
Hankow	100	0
Hong Kong	100	0
Kobe	100	0
London	100	0
Lyons	100	0
Manila	100	0
Medan	100	0
Mexico	100	0
Montevideo	100	0
Moscow	100	0
Odessa	100	0
Peking	100	0
Rangoon	100	0
San Francisco	100	0
Singapore	100	0
Sourabaya	100	0
Tientsin	100	0
Yokohama	100	0

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